

AFTER ANNAPOLIS: NEXT STEPS IN THE MIDDLE EAST PEACE PROCESS

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WEDNESDAY, DECEMBER 5, 2007

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 2:36 p.m., in room 2128, Rayburn House Office Building, Hon. Tom Lantos (chairman of the committee) presiding.

Chairman LANTOS. The committee will come to order.

Although we have had and we will continue to have a number of tributes to my dear friend and late colleague, Henry Hyde, former chairman of this committee, this is the first meeting of the Foreign Affairs Committee following his untimely death. I know I speak for every member of our committee and every Member of the House in remembering with enormous respect, profound friendship, and deep affection, Henry Hyde.

Henry Hyde was a person of extraordinary intelligence and total integrity, passionate commitment to free and open and democratic societies; and the man deeply loved the House of Representatives. I have learned more from Henry Hyde than I could ever thank him for. He was a joy to work with, and probably the single greatest gift he gave me, among many others, was to say, as he left this chair after 6 years as chair of this committee, that the 6 years we spent together as chair and ranking member were the happiest years of his congressional career.

We respected each other, we helped each other in every way we could, and there was never the slightest doubt of our desire to move ahead as much as possible, in a bipartisan fashion, the cause of U.S. national interests.

Henry Hyde will be missed more than I could begin to express. I would like to call on my friend who has taken Henry's place as the top Republican on the committee to say a few words.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. And I only wish that I could be taking the place of Henry Hyde. No individual could fill his shoes.

And, Mr. Chairman, all those excellent attributes that you have highlighted about Chairman Hyde's long and distinguished tenure in the U.S. Congress are also exemplified by your leadership in this committee. Henry Hyde was indeed a man of principle, a man who told you where he stood and explained it in such a wonderful way that even when he disagreed with you, you felt charmed by his explanation and won you over with his diplomatic style, his demeanor, his wit, his humor and his grace.

So we miss him. We think of him quite fondly and we know that you will carry on with those same qualities as well; and I would like to point out another esteemed chairman, the former chairman of our committee who joins us in the audience, Congressman Ben Gilman, with whom I also had the honor to serve.

So this committee has been well served by great men of principle and that continues to this day.

Thank you, Mr. Chairman.

Chairman LANTOS. Thank you very much. And I would like to ask everyone to join me in a moment of silent tribute to Henry Hyde.

[Pause.]

Chairman LANTOS. Thank you.

After all the well-earned skepticism, Annapolis produced some progress—one might even say success. There was an exceptionally positive atmosphere between the two principal parties, Israel and the Palestinian Authority. Attendance, especially from Arab- and Muslim-majority countries, was impressive. And we witnessed the birth of a mechanism for peace negotiations, which inspires hope that Annapolis will be more than the 1-day wonder that many had feared it would be.

Secretary of State Rice deserves commendation for this notable feat, and for thus far surpassing the peace-process expectations of even her strongest supporters. But there remains a long, long way to go.

As this process moves forward—and hopefully that is the direction it will go—all of us need to be realistic. Israel and the Palestinians established the end of 2008 as their target date for reaching a final agreement. That is a fine goal, but we shouldn't inflexibly hold the parties to it should the circumstances demand more time, and we shouldn't push them beyond the pace with which they are comfortable. We all know that both Mahmoud Abbas and Ehud Olmert are sincere and firmly committed to peace, and they will do as much as is politically possible to achieve peace.

It is much more important to get the agreement right than to get it fast. There should be no pressure for firm but artificial time-tables, and I commend the administration for not giving in to pressure to establish inflexible benchmarks.

It is also critical that the parties engage directly. The only viable agreement will be one the parties will have achieved themselves, not one forced upon them by outsiders.

It is clear that Olmert and Abbas have personal chemistry and confidence in one another to a degree unprecedented between any two Israeli and Palestinian leaders. But to maximize mutual confidence between Israeli and Palestinian societies, it is important that the parties refrain from incitement; this is a key requirement of the first phase of the roadmap.

In that regard, I am profoundly disturbed by two post-Annapolis incidents involving the Palestinians. One involved a map, displayed on Palestinian Authority TV just 1 day after Annapolis, which showed Palestine as including all territory between the Jordan River and the Mediterranean Sea; on this map, Israel simply doesn't exist.

The other involved an anachronistic “Palestinian Solidarity Day” ceremony held annually at the United Nations. At this year’s ceremony, just 2 days after Annapolis, speaker after speaker followed the traditional pattern of denouncing the State of Israel in the most vicious and vituperative of ways, making a mockery of the spirit of Annapolis. That, my friends, is not the right way to relaunch a peace process.

Most important, we should all remember that achieving a peace agreement on paper—exceedingly difficult though it will be—is, in fact, the easy part. The far harder part will be implementing it on the ground. And by far the biggest challenge of all is for the Palestinians to put an end to terrorism and dismantle the terrorist infrastructure, in Gaza as well as in the West Bank. Rockets and peace don’t go well together.

If there is to be peace, the parties will need the active support of their Arab neighbors. We expect the Arab world to support President Abbas’ government generously, both financially and politically; to resume and to enhance a normalization process with the State of Israel that was interrupted by the intifada that began in 2000; and to do its utmost to isolate Hamas and to end the smuggling of arms, cash, and terrorists into Gaza. Here, Egypt has a special responsibility which it has so far systematically evaded.

Both Prime Minister Olmert and President Abbas deserve to be commended for their commitment and for their courage in the face of many domestic constraints. Both have a chance to be remembered as great and serious statesmen.

As they start formal negotiations next week, these two leaders should know that we stand firmly behind them, ready to assist in any way possible. At the same time, it is states throughout the Middle East that have the greatest stake in their success, and we expect them—Saudi Arabia, Egypt, and others—to support both parties in a manner consonant with the priority they claim to place on peace.

Lastly, I would urge our administration to keep its eyes on the Israeli-Palestinian prize. Putin’s authoritarian Russia is proposing to host a conference early next year that reportedly would focus on the Syrian track. That would be a big mistake and a fundamental distraction that would strain Israel’s energies and personnel resources and undermine the fragile hopes for success on the Palestinian track. I urge the Bush administration to rebuff this Russian effort and to repress any temptation to spend a few winter days in Moscow stroking Putin’s ego and watching the Palestinian track go off the rails.

I am delighted to yield to my friend and colleague for any comments she might want to make.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Mr. Chairman, indeed a case can be made that Annapolis has launched a serious effort toward a democratic Palestinian state not compromised by terror, living in peace and security beside the Jewish State of Israel. The most significant outcome of the conference was a joint understanding, read aloud by President Bush during his remarks at Annapolis, in which the Israelis and the Palestinians re-committed themselves to the implementation of the roadmap, agreed to the establishment of a steering committee to oversee the

work of negotiation teams and have agreed to the establishment of an American-Israeli-Palestinian mechanism to monitor its implementation.

The joint understanding settled for a commitment to try and reach an agreement by the end of 2008, instead of specifying a deadline for the completion of the negotiations. However while Abbas and Olmert have agreed to meet on a biweekly basis to follow up on the negotiations, little has been publicly reported on the scope and the parameters of those negotiations. This clearly illustrates that the framework and institutions necessary to support a serious process remain in their infancy.

Furthermore, as one of our witnesses today, Dr. Wurmser, noted in his written testimony, the threat that the situation in Gaza poses to the security interests of the United States and our allies was not adequately addressed at the conference. How does this alter the framework for discussion of a Palestinian state? What did Annapolis accomplish that is different from Oslo and other previous efforts?

Apart from the nomination of former NATO Commander General James Jones as the American monitor and judge, how would the monitoring mechanisms function? What will the consequences be if General Jones finds that one side or the other is delinquent in their undertakings? What are the criteria for determining a failure to fulfill a commitment? How will General Jones' mission be synchronized with that of the U.S Security Coordinator General Keith Dayton, particularly in light of Israeli criticisms regarding the effectiveness of United States security assistance to the Palestinian Authority?

How do our security assistance programs to the Palestinians fit into a larger strategic framework and advance United States national security interests? And although the parties have agreed to begin sustained negotiations soon, have we received any indication of how the substantive gaps on core issues, issues such as borders, refugees and Jerusalem, might be overcome?

Looking at the broader context in which these discussions will be held, I would appreciate if our witnesses were to discuss the respective roles of the regimes in Damascus and Tehran in influencing this peace process. With the completion of the Annapolis Conference and the revival of the United States-sponsored direct negotiation between the Israelis and Palestinians, will the administration once again thoroughly be engaged in attempting to succeed where its predecessors have failed?

The U.S. is once again seeking a lasting peace agreement between the two sides. We must approach the Israeli-Palestinian peacemaking with due caution, discretion and prudence and must not assume the existence of a viable Palestinian partner for peace. Abbas, for example, has taken few steps that really could be considered conducive to peace. He joined a unity government with Hamas earlier this year and would have remained in such an agreement with Hamas if Hamas had not decided to oust Fatah forces from Gaza in June. We continue to receive public reports of renewed attempts to reach a modicum of agreement with Hamas in which Abbas would again assume the role of a junior partner.

Abbas is also the head of the Fatah organization, a group that, since the Palestinian war against Israel begun, has carried out more terror attacks against Israeli targets than either Hamas or Islamic jihad. Meanwhile, Prime Minister Fayyad, who has gained a reputation as an effective technocrat and a truly moderate independent voice, has unfortunately been given a marginal role in the post-Annapolis framework, while the old guard of Fatah is empowered and charged with negotiating with Israel.

Mr. Chairman, U.S. law is as clear as Fatah's old guard is opaque. A recent op-ed in the *Jerusalem Post* that I authored with my dear friend and colleague, Congresswoman Shelley Berkley, argued for providing the Palestinians with a political objective that finally sets and enforces higher standards for their behavior, providing consequences if they fail to perform.

We must not substitute hope for reality. Despite the uncertainties raised by the current process, one thing remains certain: We must finally stop following in Oslo's missteps.

I want to thank both of our distinguished witnesses for appearing before the committee today and I look forward to receiving your remarks.

Thank you as always, Mr. Chairman.

Chairman LANTOS. I thank my friend.

I am delighted to yield to the chairman of the Subcommittee on the Middle East and South Asia, Mr. Ackerman.

Mr. ACKERMAN. Thank you very much, Mr. Chairman, for calling today's very timely hearing.

In an interview with an Israeli newspaper, the former British Prime Minister sketched out what I think is a good summary of where the discussion on how to advance the Middle East peace process ought to begin. He said:

"There are three parallel tracks that have to be engaged simultaneously or, otherwise, things will not move ahead: Political negotiations, creation of a Palestinian capacity for governance, and the taking of steps on the ground. If there is progress in all three areas, it will be possible to find a solution. But anyone who thinks that negotiations are a substitute for creating capabilities or, similarly, that actions on the ground are of no importance, will never reach a solution. All three are crucial."

At Annapolis, Prime Minister Ehud Olmert and President Mahmoud Abbas undertook to begin vigorous, ongoing and continuous negotiations on final status issues and agreed further to establish a tripartite, United States-Israel-Palestinian mechanism to follow up on the implementation of the first and stickiest stage of the roadmap.

There are no guarantees in life and still fewer in the Middle East. But that stage is set, at least for the first and third tracks, to come online. But the second track, the governance track, is—I believe is the key to both success and negotiations and changing the situation on the ground. Put simply, if there is no Palestinian governing capacity and, specifically, security reforms, negotiations on core issues will seem likely a mere academic exercise at best and senseless political masochism at worst.

Without Palestinian governance, there will be no law and order for the Palestinians; there will be no future of the Fatah party that had become too dumb, fat, and happy to recognize that it was losing the confidence of the Palestinian people; and there will be no loosening of the Israeli checkpoints, no settlement freeze and no removal of illegal outposts.

There are some signs of movement on the governance track but I remain concerned that there is still a lack of international coordination and agreement on an overall strategy for reforming the Palestinian Authority. The Bush administration has proposed a \$400 million boost in assistance, including \$150 million in direct cash assistance. I believe this request should prompt Congress to consider a substantial reorientation of U.S. project-based assistance programs.

The immediate need of the Palestinian people is for clean government, public order, economic opportunity and salaried employment. In my view, United States assistance should be used and should be designed to leverage international support for financial and personnel reforms in the Palestinian Authority for housing and other labor-intensive projects, for the effective operation of the Palestinian police force and an independent Palestinian judiciary, and for long-term economic development and job creation programs.

I look forward to exploring these proposals and the history of our assistance to date from officials from the State Department and USAID next week in the Subcommittee on the Middle East and South Asia. In 2 weeks, Paris will hold an international donors conference to discuss effectual ways to support the government of President Abbas and Prime Minister Salam Fayyad. The PA needs at least \$1.2 billion to survive the next year, and news reports indicate that they will be asking for as much as \$5.5 billion with 70 percent going for direct budget support, much of which will be little more than welfare and royalty payments, and the remaining 30 percent for development projects. Unfortunately, even if every penny of the \$5.5 billion were pledged and then delivered, without real reform to the Palestinian Authority, there will be no change in Palestinian quality of life or prospects for statehood.

Abu Mazen is ready for a two-state solution and Salam Fayyad is ready to govern. These men are partners for peace. The question is, Can we help them create the institutions and economy upon which both a final status agreement and a just and lasting peace can be built?

I look forward to hearing the testimony of our distinguished panel and thank, especially, Ambassador Ross for his lifetime commitment to the peace process.

Chairman LANTOS. Thank you very much. I am delighted to recognize my friend and distinguished colleague from Indiana, the ranking member of the subcommittee.

Mr. PENCE. Thank you, Chairman. Thank you for calling this important hearing. And as a point of personal privilege, allow me to thank you for your powerful, eloquent and moving statement about your predecessor.

Mr. Chairman, this is a season of joy and hope across the United States; and yet when it comes to the Middle East, if not life generally, wisdom is never out of season. I think we need a large

measure of it in the aftermath of Annapolis. Despite the best intentions of our leaders and Israel's, there are more questions than answers, I believe, in the wake of last week's gathering. I believe we should proceed with encouragement and promotion of negotiations between Israel and the Palestinian Authority, but I believe we should proceed with caution.

First, Mr. Chairman, we should be clear as to what Annapolis did not do. Of the 22 Arab states present, Annapolis did not add a single number to the paltry two that have recognized Israel officially. While Israel released 429 Palestinian prisoners Monday, post-Annapolis, not a single Arab attendee saw fit to even take notice of this step of good faith.

Furthermore, Annapolis did not bring the Palestinians to recognize Israel as a Jewish state. In fact, in statements by those that were in attendance last week representing the Palestinian Authority, it was made very clear this continues to be a very serious point of contention in and of itself. And Annapolis didn't even bring the Saudi Arabian Foreign Minister's willingness to practice cordiality and civility with a simple handshake with the Prime Minister of Israel. In fact, news accounts reported that Arab participants insisted that Israel's Foreign Minister enter and exit through a side door. Not exactly the spirit of peace and generosity upon which these negotiations should begin.

Annapolis also did not yield a declaration by the 22 Arab states that they denounce violence in pursuit of political objectives.

What can Annapolis accomplish? It is not entirely clear. As the chairman noted, some of its attendees made troubling statements literally within hours of the conclusion of the conference. Sunday, Syria's Deputy Foreign Minister told the Iranian Foreign Minister, according to news accounts, "Syria will not let anyone harm the two countries close in solid ties, even in the slightest way."

And, Mr. Chairman, on the subject of a two-state solution, I have been asked by colleagues and friends and people back in Indiana if I support a two-state solution and my answer is always the same. I believe that negotiations of this nature ought to begin with the primary objective being the stability and security and permanence of a Jewish State of Israel, and if the creation of a Palestinian state serves that primary objective of the people of the United States, then I am willing to support it.

Lastly, it is worth noting that last week marked the 60th anniversary of the U.N. vote on a plan that would have partitioned the territory of Palestine into Jewish and Arab states with the greater Jerusalem area, including Bethlehem, coming under international control. History records Israel took the offer and Arab countries declared war. The more things change, the more they seem to stay the same.

But I have hope. I think the best that can be said of Annapolis last week, and what I saw in the faces of those present at a gathering the night before, is that Annapolis may well be a moment where we see the triumph of hope over experience. And hope springs eternal. And I am—again, I believe it is important we hear from these witnesses.

I believe it is important that this committee in particular, and this body, engage in the kind of careful and thoughtful oversight

of these negotiations that the American people expect. But it ought to ever and always be driven—as I know it will be under this chairman and this ranking member—by fealty to our truest ally and her interest, and that is the interest of Israel as a Jewish state. We begin there and solutions and peace, I believe, can become possible.

I yield back.

Chairman LANTOS. Thank you very much.

In view of the fact that I anticipate that we will be interrupted by votes on the floor, it is my strong preference to go to our witnesses directly. But I will give an opportunity to any member to speak for a minute if he or she feels an irresistible urge to do so.

Since I don't see that, may I then move on to Ambassador Ross?

We are delighted to welcome back Ambassador Dennis Ross, who testified before our committee just a few months ago. He literally wrote the book on the Middle East peacemaking process. His book, *The Missing Piece: The Inside Story of the Fight for Middle East Peace*, is a magisterial review of United States peace efforts in the 1990s and during the beginning of the current decade.

Ambassador Ross was the United States point man on the Israeli-Palestinian peace process both during the first Bush administration and in the Clinton White House. During the Clinton administration, he held the title of Special Middle East Coordinator. He was instrumental in assisting Israelis and Palestinians in reaching the 1995 interim agreement. He successfully brokered the 1997 Hebron Court. He facilitated the 1994 Israel-Jordan peace treaty, and he intensively worked to bring Israel and Syria together.

As a scholar and diplomat with more than two decades of experience in both Soviet and Middle East policy, he served as Director of Near East and South Asian Affairs under National Security Council staff in the Reagan administration.

Ambassador Ross, we look forward to your thoughts today. The floor is yours.

**STATEMENT OF THE HONORABLE DENNIS ROSS, COUNSELOR
AND ZIEGLER DISTINGUISHED FELLOW, THE WASHINGTON
INSTITUTE FOR NEAR EAST POLICY**

Mr. ROSS. Thank you, Mr. Chairman. It is a pleasure to be here again before you and your colleagues. I have submitted written testimony to the record and what I would like to do is highlight a few comments from them.

Chairman LANTOS. Without objection, the entire testimony will be made part of the record.

Mr. ROSS. Thank you.

I have listened to many statements that you have made, and I agree with much of what I have heard so far about Annapolis. Annapolis was an impressive event. It was an impressive event in terms of demonstrating that the international community was prepared to support the resumption of an Israeli-Palestinian peace process. It was an impressive event in terms of demonstrating that a major part of the region, including a major part of the Arab world, was prepared to come to Annapolis; as much as a statement of support for the peace process, as much as equal to being a statement against Iran.

And what are seen as Iran's intentions in the region? I might say parenthetically, most of the Arab participants at Annapolis don't question Iran's intentions in the region or even on the nuclear issue, even though the NIE that is out now may raise such questions about Iran's intentions.

What we had was a very impressive event as it relates to the resumption of the peace process. The question is—and I hear it in many of the observations that you all have made so far—is it going to be an example of good statecraft, meaning the staging of an event that can be useful in changing imagery and psychology; or is it going to be a good example of statecraft where there is a clear relationship between objectives and means, where there is a clear understanding of the opening as well as the limitations, and there is a strategy for how to bring the objectives and means together.

At this point, I would say that the jury is probably still out. I would say it because the key to knowing whether or not this is going to be more than just stagecraft is, is there a serious follow-through and is there a kind of game plan with capabilities to act on that game plan?

What we have seen so far is that there is going to be a steering committee and biweekly meetings between the leaders, but of course that existed before Annapolis. There was a steering committee and there was an agreement on biweekly meetings.

The actual work plan is to be developed starting on December 12th. I must say that I would have hoped prior to Annapolis, these kind of modalities would have actually been worked out in advance. Were you going to have working groups on all the core issues? Would you not only have the leaders meet, but actually have the working groups, the Israeli-Palestinian working groups, come and brief the two leaders together?

I can tell you from my experience when each side briefs their leader, they tell them how well they are doing and how the other side is imposing all sorts of obstacles. When they have to brief together, it actually creates a different kind of dynamic.

Truth be told, those are modalities, those are technicalities; and while modalities can bedevil negotiations, they are not the answers to it. The real question is going to be, Is the substance going to be addressed given the ambitious timetable? I say it is an ambitious timetable, you say you are going to reach a permanent status agreement by the 2008; is there the capacity to do that?

Now, at this point, I would have to say again, look at what went on in Annapolis and it is not necessarily reassuring. The joint understanding, Madame Ranking Member, that you talked about was very good in terms of the generalities. But it avoided anything that was controversial.

Now, that is not a criticism, but it is a statement about a context. Neither side was prepared, at this point, to be saying something or committing themselves to even limited kinds of compromises because the public context in each case among the Israeli public and among the Palestinian public is shaped by skepticism. If you look at the polls that were conducted in advance of Annapolis, you will find that more than two-thirds of each side's public were in favor of going there and a higher percentage doubted that anything would come of it.

I just returned from having been in the area on Sunday. I spent all day Sunday in Ramallah and Jerusalem. Already on the Israeli side there is polling in the aftermath of Annapolis where significant—the majority of Israelis questioned whether this could lead anywhere. In fact, 42 percent say, Annapolis failed; 70 percent said, it succeeded; and the remainder aren't sure. When you have that kind of a public context, it suggests that it is not so easy for the leaders to take on the kinds of hard decisions they are going to have to make.

Now, you said, Mr. Chairman, quite correctly, both leaders are quite committed. They are quite passionate about wanting to pursue this, and that is different and that is encouraging. But the key that we are going to face at this point still is, how do you create a public context where both sides, where both leaders will feel capable of being able to make compromise on the existential kinds of questions of this conflict?

When you are dealing with Jerusalem and refugees and borders and security, you are dealing with those issues that go to the heart of self-definition and identity. And to be able to take the leap, you are going to have to change the public context. The only way I know to do that—and this gets to what Congressman Ackerman was saying—is change the realities on the ground. We have to get both publics to be willing to take a second look. We have to get both publics to say there is a reason to think that something is changing, to create a higher level of confidence on the part of the leaders, so that they can take the kind of leap that is going to be required.

Now, from this standpoint, it makes sense. When I hear the Secretary of State talking about, we are going to move on implementing Phase 1 of the roadmap, simultaneously we are negotiating Phase 3 of the roadmap, which are the permanent status issue, that make good sense.

It isn't going to happen simply because we say it. I want to highlight some of what we will have to contend with and suggest what is going to be required, namely a strategy for implementation that presently I don't think exists.

What is the problem with trying to implement Phase 1 of the roadmap? The main problem is that there isn't a single obligation understood the same way by the two sides. Look at the list of obligations on each side.

On the Israel side there is supposed to be a freeze on settlement activity, including natural growth. The Israelis are basically to move back to the positions that they held at the end of September 2000, at the beginning of the intifada.

When it says, Move back to those positions, that means remove all the barriers. I am not talking about checkpoints; I am talking about everything that was done on the ground to limit movement, barriers outside of cities, checkpoints, the Israeli military position, they are supposed to move back to where they were and they are supposed to dismantle unauthorized outposts.

On the Palestinian side, they are supposed to begin to dismantle terrorist infrastructure, they are supposed to overhaul their security organizations, they are supposed to actively prevent any acts of terror or any planning of acts of terror, and they are supposed

to reform their political institutions. Go down the list. Each side defines their own obligations minimally and the other side's obligations, maximally. I will just highlight one example.

If you look at the issue of a freeze on settlement activity, the Palestinians define a freeze on settlement activity as including construction everywhere beyond the Green Line. So that means no construction even in Jerusalem, what the Israelis would see as neighborhoods within Jerusalem. It means no construction on what the Palestinians call The Wall. It means no road construction. It means an end to financial incentives and subsidies to settlers. It means no Israelis who currently live inside the Green Line could move beyond the Green Line.

That is the Palestinian definition of a freeze on settlement activity, including natural growth. Ask the Israelis how they would define it, and they will give you a definition that says we won't expand existing settlements outward.

That is a far cry from how the Palestinians see it. If I were to recite—and I won't now—an equivalent on the issue of beginning to dismantle Palestinian—beginning to dismantle terrorist infrastructure, the Israeli definition would be very expansive and the Palestinian definition would be very minimal.

What that highlights is, it is pretty hard for the U.S. to act as a monitor and judge unless you establish an unmistakable standard of performance of what it is you are monitoring and judging; and that won't happen by itself. So are we going to negotiate with the two sides on what this is? Is that what General Jones' responsibility or General Dayton's responsibility is going to be? Is the Secretary of State going to establish what that standard is? I would suggest if she plans to do that, she ought to have a United States-Israeli and United States-Palestinian working group first.

One thing I learned about negotiations, you can present things to parties, but don't surprise them. Discuss it, condition and make sure there are no surprises coming in terms of what the standards are likely to look like.

Let's even assume that we work out a standard of performance on each obligation, or at least we establish it, because I don't—frankly, if you were to negotiate it, you would spend the next year just negotiating what those standards would be. Let's say that we establish it after some discussion with the two sides. Simply because you establish it doesn't mean it will take place.

Let's focus again for 1 minute on one of the Israeli obligations. For the Israelis to meet the obligations as pulled back to where you were at the end of September of the year 2000, it basically means the Israelis would deconstruct a security system that they have established now, that has prevented bombs from going off in Israel.

It is not an accident that bombs aren't going off in Israel. The Israelis have freedom of action in the Palestinian cities. They have these barriers to movement, and they are building what they call the separation barrier, the separation fence, security fence.

So if you look at all of that, I think there is no prospect that the Israelis will take that step, certainly in the absence of seeing the Palestinians dismantle terrorist infrastructure, which the Israelis will define in the West Bank as meaning not just the collecting of weapons, but dismantling Hamas' organization, the Islamic jihad,

the Aqsa Martyrs' brigades, their capacity to recruit, their capacity to finance all their weaponry. Until they see that, until they see that these groups can't operate, it is, I think, impossible to imagine that the Israelis are actually going to take that step.

So what does that mean? Do we just give up at this point because it is too hard? I don't think so. But what I think it should do is highlight for us the nature of what is required. If you are going to change the context, change the realities of the ground so you can actually make the negotiations on permanent status issues far more likely to succeed, you are going to have to have a strategy for how you do it. And I would suggest the following.

Number one on the security issue, you are going to need to recreate what existed before. There was a time in the 1990s where you had joint Israeli-Palestinian security working groups and security teams and security patrols. One of the reasons you have to reestablish that is because you have to reestablish the relations between the two security forces.

You have to do this, I think, in small doses. You are going to have to identify some limited areas in the West Bank when they work together to establish what would constitute performance and then actually have it happen. If it does happen, you will begin to see within the Israeli military a new constituency for how to look at the security developments on the Palestine side.

Now, what is it taking to be able to do that? I think each side still has to be able to take at least some symbolic but meaningful actions to signal the other that something is changing. In the case of the Israelis, the more they can do on the issue of freezing settlement activity, the more that will resonate very well among Palestinians and prove something is changing.

The more the Palestinians—this gets to a point you were making, Mr. Chairman—the more the Palestinians will actually act against incitement. Maybe they don't have the capability right now to do what is necessary on security. Yes, they are moving police into Nablus, but they have freedom of action in the day and the Israelis have freedom of action there at night. They are dealing with law and order; the Israelis are dealing with terror.

So if they don't have the capability at this point to do that, if it is going to take time to build a security realm of cooperation, let them do something that will signal the Israelis that something is changing and that is within their capacity to do.

Acting against incitement right now would be something that the Israeli public would notice, just as the more the Israelis do unfreezing settlement activity is something that the Palestinians would notice; and that can begin to create a context that shows something is changing and there is a reason for a second look.

Now, I would add from our standpoint, from the American standpoint, one of the things we need to do is look at the roadmap with one additional dimension, and that is the Arab dimension. All of you in one way or another were beginning to make a reference to that. If we are focused on implementation Phase 1 of the roadmap, it ought to be that there is an Arab responsibility in Phase 1 of the roadmap which was not satisfied simply by showing up in Annapolis. That was good, but it was passive. They should also have an active set of responsibilities. How to do that?

I would say, right now it would be good for the Secretary of State to begin to talk to the different Arab League representatives who are part of the working group that she—the committee they have set up and say, as the Israelis and as the Palestinians begin to take steps on Phase 1, then every time they take a step, you take a step. Vis-a-vis the Israelis, it should mean reaching out to them to show that normalization isn't something that comes at the end of the rainbow, but that it is going to proceed as the Israelis take steps; and on the Palestinian side, it ought to be invest, not just politically but materially.

It is actually hard to understand that at a time when the Palestinian Authority, especially under Salam Fayyad, is trying to begin to build capability—and what Congressman Ackerman was talking about is quite right; it is not just good governance. It is capability, and it ought to be investment in job creation.

It is hard to understand that they can't be doing much more on the financial area. I recall appearing before you back in 2003 and suggesting to you at that time that there should be a \$500 million or \$1 billion fund that the gulf oil states could create. Since that time, the price of oil has risen by more than \$60 a barrel; the commitment to Palestinians hasn't grown one iota.

I mean, I would like all the pledges to be fulfilled, but why not increase in some way the amount of money that can be provided? You know, if there were serious investment, for example, in a job creation program, housing construction or infrastructure construction, where you would actually develop large numbers of jobs, you could have a psychological change which I think would underpin what Fayyad is doing.

What I am suggesting in saying all of this is that there is something that can be done but nothing is going to happen on its own. And the Phase 1 obligations not only have to be established as reflecting a certain standard, but there actually has to be a strategy for how you are going to act on it; otherwise, very little is going to change.

And I, even though there are profoundly good intentions on the part of Prime Minister Olmert and President Abbas—and as you said, they have a chemistry that we haven't seen before—even though they have profoundly good intentions, unless there is a change in the realities on the ground, it is going to be very difficult for them to make the kind of concessions that are required.

We have already seen in the inability in the joint understanding to say anything that was controversial, how hard it is. So if things are going to change, there has to be a strategy for what is going to happen on implementation. At this point, merely appointing someone like General Jones isn't a substitute for coming up with what that strategy is going to be.

I will stop there and look forward to questions.

[The prepared statement of Mr. Ross follows:]

PREPARED STATEMENT OF THE HONORABLE DENNIS ROSS, COUNSELOR AND ZIEGLER
DISTINGUISHED FELLOW, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

The Annapolis meeting was an impressive event. It brought nearly fifty nations together ostensibly in support of Arab-Israeli peace. While the Syrians came to emphasize their agenda on the Golan Heights, the other Arab states, including Saudi Arabia, came in response to an American invitation to resume the Israeli-Pales-

tinian negotiations. After seven years with no process, it is unquestionably a good thing to see negotiations resumed, particularly when both sides are committing themselves to try to achieve an agreement on all the permanent status issues by the end of 2008.

Will their commitment be different than previous commitments we have seen to reach agreements? Recall that the roadmap to peace, accepted by both sides, was to produce agreement by 2005. Recall as well that President Bush declared that we would “ride herd” over its implementation. Declarations on Middle East peace are not new, but translating them into reality require more than giving speeches or hosting events.

As stagecraft, Annapolis was certainly stellar—well organized, presented, and impressive pictures. One unnamed Israeli official referred to it as the “mother of all photo-ops.” Stagecraft can serve statecraft if it uses imagery to foster momentum and a new psychology. But it cannot substitute for what is required for effective statecraft. Statecraft requires marrying objectives with means; it depends on knowing where both openings and points of leverage may be and how to take advantage of them; and it demands intensive communication and negotiation to identify where progress can be made but also where critical problems must be overcome.

In the case of Annapolis, what comes next is critical. We have had a launching, but will there be effective follow-through that marries objectives and means? President Bush announced that there will be an Israeli-Palestinian steering committee which will meet on December 12 to organize the negotiations process. After that, the leaders will meet on a biweekly basis. Since the steering committee and such biweekly meetings were adopted months ago, one might have expected from Annapolis much more in terms of creating a structure for the negotiations. Why not working groups for each of the permanent status issues? Why not an agreement that the working groups will present jointly to the two leaders every two weeks? After all, when each side briefs its leaders independently they inevitably emphasize everything they are doing and how the other side is not responding.

To be sure, mechanics guarantee little other than that time will not be wasted on trying to develop the right modalities for the negotiations. With time limited, there is not much to be lost. Still the larger issue is what must be done to create a context for the negotiations to have a better chance of success. The joint statement that was issued shows how little the two sides—even after several months of quiet negotiations—are able to agree to in public at this stage. Each remains very concerned about not appearing to have made compromises prematurely. That is completely understandable. But, again, what is going to change to make it possible for each side to begin to take on the existential issues of permanent status?

At a minimum, something must change on the ground to convince the publics on each side that there is a reason to restore their belief in peace-making. Presently, there is great cynicism on each side; polling indicated a virtual mirror image with 2/3 of both the Israeli and Palestinian publics supportive of going to Annapolis and yet a somewhat higher percentage on each side expressing doubt that anything would come of it. (Having just come from Israel, I can tell you that the skepticism remained after Annapolis as well.)

If the context is going to be changed to make it possible for Prime Minister Olmert and President Abbas to actually make historic compromises and not just talk about the need for them, their publics must regain their faith in peace-making.

Again, this will not happen because of declarations. For Israelis who withdrew from Gaza and have not seen even one day without Qassam rockets being fired from it, why would they believe withdrawal from the West Bank would produce anything different—with the far worst consequence that every Israeli community would then be susceptible to such daily fire. For Palestinians, if they cannot move easily from Nablus to Jenin, why would they believe that they will gain sovereignty and the Arab part of Jerusalem?

One can hardly gain public support for compromise on the existential issues of Jerusalem, refugees, borders, settlements, water, and security if neither side sees any changes in the day-to-day realities. That is why the critical measure now is implementing the phase one obligations in the roadmap to peace.

Secretary Rice is right to put a new emphasis on this. Recall that in the 2003 roadmap the Israelis were supposed to withdraw the military and the barriers that were repositioned after the beginning of the intifada in September 2000, freeze all settlement activity, and dismantle unauthorized settler outposts. The Palestinians were supposed to begin to dismantle terrorist infrastructure, prevent all attacks against Israelis, overhaul their security organizations and reform their political institutions.

Had some or all of these obligations been met, the context would be very different today. Indeed, had the Secretary’s objective starting last January been to organize

an international meeting to launch negotiations, she would have been well-advised to try to get implementation of at least some of these obligations months ago. That would have changed the context and psychology for the negotiations and made the effort appear far more credible.

Unfortunately, getting movement even now on the phase one obligations will not be easy. There is not one obligation that Israelis and Palestinians understand the same way. Ask the Palestinians what a freeze on Israeli settlement activity means and they will tell you that it means a freeze on all construction (including the “wall”), on all roads, on any additional settlers moving to the territories, and on all subsidies and financial incentives to the settlers. Ask the Israelis, and they will say it means building no new settlements and expropriating no additional territory—but not stopping construction within the boundaries of existing settlements. The gap in perception and definition is enormous.

The gap may be even wider on the Palestinian obligation to begin to dismantle terrorist infrastructure, with the Israelis having very expansive requirements (including the dismantling of the Hamas, Islamic Jihad, the al Aqsa Martyrs’ Brigades, their arms, their financing and recruitment apparatuses) and Palestinians believing basically that collecting some weapons and having these groups off the streets is what is required of them. The problem is that each side defines its own obligations minimally and the other side’s maximally.

Just as the Secretary found when she pressed both sides to commit to the core compromises on Jerusalem, refugees, borders and security—where each sought specificity from the other while it offered ambiguity—so, too, on the roadmap does each side want the other to be responsive first. If nothing else, this should remind Secretary Rice that the parties could easily spend the coming year doing little more than trying to negotiate common definitions of the roadmap’s phase one obligations.

President Bush announced that we would monitor and judge the implementation of the obligations. But how can we do so if there is no clear standard of performance? While Secretary Rice should move to define such a standard, she should do so only after having established US-Israeli and US-Palestinian working groups in which there are first discussions of the obligations and what is required to carry them out. Each side should know what is coming before she presents publicly—not privately—the standards on each obligation.

And, here there should be no illusions: a clear standard of performance does not guarantee that the obligations will be fulfilled. Note, for example, that one of Israel’s obligations in phase one is to return to the security positions it held at the beginning of the intifada in the fall of 2000. That would mean the removal of all barriers around Palestinian cities and on roads; there is almost no likelihood of that happening if the Israelis do not see unmistakably both the capability and the will on the Palestinian side to ensure that its territory will not be a platform for attacks against Israel. Obviously, if the Palestinian Authority could really dismantle terrorist infrastructure the way the Israelis define it, the Israelis might be more willing to run risks in this regard, but even the most optimistic and sympathetic observer of the Palestinian Authority would be hard-pressed to say that the PA will be able or willing to do this any time soon.

The difficulty of carrying out many of the obligations on each side cannot be an argument for relaxing or redefining what is required. But it does argue for a strategy for dealing with the obligations, not simply declaring what the standard for implementing them will be. For example, on security, maybe the starting point should be having joint Israeli-Palestinian security working groups and teams to pick selected areas in which they agree what will be required of Palestinian security forces in certain test areas and if there is Palestinian performance, there would be a lifting of Israeli barriers and checkpoints and a repositioning of Israeli forces in these places. A meaningful Israeli freeze on settlement activity might make it far easier for the Palestinians to do more on security even as they take steps on obligations like incitement that would show the Israeli public that something is changing.

If we are looking now for signs that this process will be different, the place to start is, in fact, on implementing at least some of the phase one obligations. This must be done with our eyes open and with a very well thought out strategy for doing so. It should be accompanied by a new phase one for Arab obligations that should run parallel with Israelis and Palestinians fulfilling their responsibilities. Even now, before the Israelis and Palestinians begin to fulfill these responsibilities, the Secretary of State should be working with Arab states on steps they will take. She should not wait to begin such discussions. She should be forging parallel obligations for Arab states in terms of reaching out to Israel and materially investing in the Palestinian Authority as the two sides begin to carry out their phase one responsibilities. (Quite independently of the peace process, it is remarkable that, with

oil having increased in price by \$70 barrel in the last five years, the Gulf States are providing nothing additional to Palestinians.)

It is ironic that, even though the roadmap has been moribund for 4 1/2 years, the meaningful implementation of its phase one obligations might well spell change now-might well make Annapolis a true new beginning. That said, if we do not see any meaningful implementation of phase one obligations, do not expect Annapolis to have been anything more than an act of stagecraft. Good intentions count for something but, in the Middle East, they must be married to a strategy with the kind of intensive effort that lets no one off the hook.

Chairman LANTOS. Thank you very much, Mr. Ambassador.

We are very pleased to welcome Dr. David Wurmser, who until recently was senior advisor on Middle East issues in the administration. He has been a scholar at the American Enterprise Institute and also a consultant to the Department of Defense.

His military service includes 11 years of intelligence experience in the United States Navy where he reached the rank of lieutenant commander. He was mobilized to serve on the Iraqi intelligence task for the DIA three times in the 1990s, for which service the Department of Defense awarded him the prestigious Defense Meritorious Service Medal.

Currently, he is president and founder of the Delphi Global Analysis Group. It is a political risk analysis firm specializing in the Middle East.

We are looking forward to hearing from you, Dr. Wurmser. The floor is yours.

STATEMENT OF DAVID WURMSER, PH.D., PRESIDENT AND FOUNDER, DELPHI GLOBAL ANALYSIS GROUP

Mr. WURMSER. Chairman Lantos, Ranking Member Ros-Lehtinen and members of the committee, thank you very much for both the privilege and opportunity and honor to share my thoughts with you today on this extremely important subject.

Chairman LANTOS. Could you pull the microphone a little closer?

Mr. WURMSER. Absolutely.

Chairman LANTOS. Thank you very much.

Mr. WURMSER. First of all, like Ambassador Ross, I too prepared a written testimony. So I will just—

Chairman LANTOS. It will be included in its entirety in the record.

Mr. WURMSER. Thank you, Mr. Chairman. And I will provide some highlights and a few thoughts on that as well.

First of all, I think one of the key things—Annapolis itself is one thing, the process after Annapolis is another. I think both Ambassador Ross as well as most of the committee have expressed that fear that one would not lead to the other in a positive way. So I would like to take a step back, and I think right now before we really go deeply into another peace process, I think it is a time to turn back and look back at what has been done for 20 years, what has worked and what has not worked, so we can move forward in a way that does reflect our experience.

First of all, for 20 years now, I really put the beginning of this focus on trying to resolve the Palestinian-Israeli issue back to Secretary Baker and President Bush, the first President Bush, that administration back in 1989. A series of major speeches commenced that process. We have really been engaged very much through—

with correct involvement by Secretaries of State—Secretary Baker, Secretary Christopher, Secretary Albright, Secretary Powell, now Secretary Rice; all of them have been directly engaged in trying to resolve this issue. They have all done so with great commitment, great commitment of time, as well as, I think, a genuine intent to really get at the issue. All of them have employed some of the most intelligent people to try to solve this problem.

So I don't think that there is a lack of commitment, lack of intelligence or lack of desire to reach peace between Israel and its neighbors. But that said, I think we have to review the record of what has actually happened.

For 20 years now, we have had over 100 trips by Secretaries of State to the region. We have had conferences at Wye, Shepherdstown, Camp David, now Annapolis. We are running out of cities on the east coast. No foreign policy issue has garnered as much focused attention at the highest levels of government as this issue has over 20 years.

Similarly, we have had over 60 trips by Secretaries of State, one by a Deputy Secretary of State to Damascus. At one point, the Israelis offered the entire Golan Heights back to Syria. There ensued a debate over whether it was the entire Golan Heights or not. We were talking literally about a few square miles at most. And yet Damascus today really stands no closer to us and still no further from Tehran than it did at any point in this whole process. So the effort to wean them away from Tehran has so far produced no result.

All those efforts, including a fairly sizeable Israeli offer at Taba, debates between 1993, 1997—Ambassador Ross would actually know the details of this much more—but in 2000, to cede almost the entirety of the West Bank in Gaza to the Palestinians. The tension, the violence between Israel and the Palestinians now are no less than they have been at any time in the last 20 years.

Another key intent of the peace process was to—by resolving this process is to tackle the issue of persistent, endemic, anti-Americanism in the region. And yet what we saw was—especially in the period from 1990 to 2000, where I think we probably committed the most, the most effort and resources to try to resolve this issue, it was a decade—it was a decade in which anti-Americanism grew. It didn't decline.

And then finally—well, not finally—then throughout these two decades, we have tried to create a Palestinian entity in one shape or another that acts responsibly, moves away from corruption and becomes more genuinely popular and essentially presents—becomes a bulwark against the creation of the dangerous terrorist state on Israel's border.

For a decade now we have tried to get the P.A. To reform itself, become a proper government, and yet again and again we see even the Palestinians themselves reject that leadership.

Finally, we have called on Israel for two decades now to step forward and take risks for peace. One of the key things the Israelis were seeking by that was to finally be accepted more broadly and solidly by the entire international community as a legitimate state. Not only the 22 Arab nations, but the tenuousness by which so many nations dealt with Israel, they were seeking to reduce that

and solidify their acceptance as a nation among nations. But what we see now, after 20 years of peacemaking, that the Israelis are probably no closer to being—the questions of 1948, the legitimacy of Israel's creation, is no closer to being generally accepted than it was 20 years ago. In fact, there are disturbing polls in places like Europe, Great Britain, for example, where Israel ranks the highest and Israelis rank the highest in a poll asking the question of which people are the most reviled. Who do you revile the most? Who are the biggest problems in the world?

So I don't see either the issue of anti-Semitism or Israel's broad acceptance internationally to have been at all alleviated through 20 years of peacemaking.

I think the reason why we have not gotten very far is—and I think this begins to go to the question of basic principles—first is the foundations of this peace process. And by “this” I mean generally, but Annapolis and what follows Annapolis in particular is that, one, it was divorced from the President's forward strategy for freedom. I think to create a leadership capable of making peace with Israel, we need local institutions and accountability of governance among the Palestinians. I think Representative Ackerman referred to that. I think that is key.

These institutions over time could generate a popular and genuine leadership, and that leadership then would have the wherewithal to make profound internal—it would have the profound internal credibility to make the sort of far-ranging decisions it needs to make.

But this is a process that begins with civil society. It begins with institutions internally. Not elections.

These principles were the foundation, as I understood them, of the June 24, 2002 speech by the President, and I think the realization remains the only viable foundation for a process to create such a responsible and moderate leadership among Palestinians which is required to make peace between Israel and the Palestinians.

Unfortunately, one of the cornerstones of Annapolis is the roadmap, and I think the roadmap actually inverted that effort. By putting the Palestinian-Israeli talks up front, I think it drove the need to have a Palestinian interlocutor with whom to negotiate to resolve these Palestinian-Israeli issues. And I think the quest for the interlocutor forced us to abandon some of the June 24th principles in order to artificially, essentially, define and prop up a corrupt and domestically unpopular leadership at the top of Fatah.

And I think it is precisely because the roadmap took precedence over first building a profoundly new Palestinian leadership that the Palestinians entered the January 2006 elections with an abysmal choice. It was a choice essentially between a leadership that remained corrupt and failed, representing an ideology that was dying, essentially pan-Arab nationalism and a new leadership that was, if nothing else, dynamic.

Unfortunately, it was also very extreme, wedded to terror and represented by Hamas. It is a delusion, but nevertheless, between the despair of the past and a delusional hope for the future, the Palestinians chose the delusional hope for the future. The problem was the choice they were presented with.

Given the weakness of the Palestinian leadership, you get to the question of deliverability. Precisely because Abu Mazen and Fatah represent such a weak leadership, I think they lack the sort of domestic credibility they need to make tough decisions now.

I think the whole debate over the Jewish character of Israel, the acceptance of Israel as a Jewish nation, is indicative of that. They cannot do that given their weakness currently. Yet, at the same time, there is no basis for Israel to concede and proceed without that recognition. You cannot ask of a nation, any nation, to negotiate and take risks with an entity that still does not recognize the essence of its existence.

Finally—not finally, but next, I think a problem is the danger of Gaza. I think the reality with which we must deal right now is not a resurgent or reemerging credibility of a Fatah Abu Mazen government, which would now gain momentum and resurrect its political fortunes, but I think what we are dealing now with is the main factors: The emergence, consolidation, and growth of a dangerous terrorist mini-state only miles from Israel's population center, Tel Aviv.

That mini-state is reminding me a lot of Hezbollah's little mini-state last summer. It is burrowing deep underneath Gaza in tunnels. It is developing into a very real army. In fact, Israeli forces lately that have been confronting Hamas forces along the confrontation line say this is no longer a terrorist movement; this is a real Army that they are confronting, with real coordination and quite a degree of professionalism. This is a very dangerous development for the Israelis.

Last summer—and by the way, Hezbollah remains a great threat to Israel from the north. So last summer, we witnessed nearly 1 million Israelis having to leave their homes for a period of almost 40 days to flee Hezbollah's missiles. They fled to the rest of the country, to safe areas of the country. Given the current ranges of Hamas missiles which they are using, which they have already used to turn one Israel city into a ghost town, Sderot, and the boasting that they have now that they can send missiles much further, given the extending range of those missiles. If we are to face a repeat of last summer's war, there is very little territory within Israel to which Israelis will flee to safety.

The point I am asking about that is, How much can Israel afford to concede when its population feels an increasing amount of vulnerability every year, precisely because the condition they have to deal with is the growth of terror, terrorists, mini-states along their border?

But the danger of Hamas in Gaza is not only its military build-up, it is also its role now emerging as the phalanx of Iran. What is very dangerous about this is that Hamas is strong. It is driving events in Gaza. It is driving events on Israel's borders. Abu Mazen is weak and is being driven by events at this point.

Now, Hamas along with its allies in Damascus, and by extension aligned with Tehran, if they drive events, then as long as we place the resolution of the Arab-Israeli conflict at the center of our strategy to take on Iran, and as long as Hamas has the power to drive events, then Iran, via Hamas and other Palestinian factions, and

Hezbollah, exercises a veto over any progress in forging a coalition to confront it.

The next problem I am worried about regarding Annapolis is the danger of regionalization.

The history of the Middle East tells us nothing, if not that regionalization of local conflicts only makes those conflicts worse. It is actually the problem of many conflicts, not the solution.

It is the persistent internationalization of internal political differences in Arab countries that afflicts, destroys, and ultimately destroys so many of them. Whatever problem Lebanon may have had in the 1960s, the intrusion of the PLO, the intrusion of Nasser and the pan-Arab nationalism through the PLO, the use of that issue and the Arab-Israelization of internal Lebanese politics destroyed that country, starting with the water crisis in 1964.

Similarly, even in Iraq, we have rancorous populations that are going to engage in a pretty messy debate internally. But whenever you have either a neighbors' conference or you invite representatives from the region, thinking that they have more currency in Iraq than others, what we do is we find out that they come with such baggage that it overloads the internal Iraqi debate and causes more trouble than it helps with.

But I don't think any issue in the Middle East has been so distorted, so dominated, and ultimately made as dangerous by such internationalization as the Palestinian issue. Almost every war fought in the Palestinians' name has been fought to their detriment, largely because those wars really had more to do with the agenda of those other nations.

I think also we have to understand this regionalization in the context of the elections of Hamas in 2006. The Palestinians had a choice not only between terror and living with Israel in peace, not only between a leadership that I have described here that may be not as very appetizing for Palestinians and certainly not capable of delivering, but I do believe they are generally interested in making peace with Israel. I do believe that Abu Mazen would like to execute division of two states living side by side in peace.

But that said, the Palestinians chose Hamas. And in doing so, they chose to embrace a trend of extremism in the region. They identified Iran—and Hamas is Iran's local representative—as the next great hope to ride to victory.

So it is precisely the continued coupling of the Palestinian issue to the international environment in the region that makes it so dangerous still. And as far as the Israelis are concerned, it means that they are dealing strategically with Iran when they are dealing with these issues in the Palestinian areas.

Finally, I take issue with the priority and timing of such commitment on the Palestinian issue right now. There are several major issues that should require the immediate and visible—and this is important—visible attention of the highest levels of this government, of this administration.

One is Korea. Everybody knows about Korea and the issues involved in Korea. But we are not seeing the sort of commitment, especially to countries like Tokyo, to Japan. We are not seeing visits to Tokyo by top officials in the way we should to help them through

what is a very difficult and dangerous development with North Korea.

Second, Iraq. It is not only this administration, but the stature of the United States will be judged by what happens eventually in Iraq. So the commitment on the highest levels to be in Baghdad occasionally—not just the President and Vice President, the whole structure to be there visibly is extremely important.

But then the third issue, which I think is Pakistan as well. But the third regional issue or the third issue I really want to focus on that I think demands immediate attention, despite the just-released NIE, is Iran. I think it poses the gravest challenge this Nation has yet faced in the Middle East. It poses such a danger beyond its nuclear problem. It believes it has become the soul and sword of Islam and the vanguard to destroy the West, not just Israel, and it openly says so. Across the Middle East now there is a broad fear that Iran will drag the whole region into a civilizational clash, a clash nobody in the region really wants or no leadership in the region really wants, and the consequences of which are unfathomable.

And yet I don't think that we have devised a strategy yet that guarantees Iran will not be able to execute its strategy. The trajectory we are on will not stop Iran, and it will not bring about a collapse of its regime.

So for those nations most threatened by Iran, the Palestinian issue, I believe, is probably the last issue with which they really want to cope right now. Iran has wired the Palestinian issue to its complete advantage. It has become the champion of Palestinian extremism. Iran has positioned itself now to accuse any regional leader who wishes to come to terms with Israel of betraying the Palestinian, Arab, and the Muslim causes. And then they say that they would do that only to save their regimes.

So the result is that in public, Arab leaders right now are driven to radicalize their positions on this issue. Witness last spring's Arab summit. I don't think now is the time to expect much modernization from Arab capitals largely because the threat they face from Iran is not only military, it is subversion and legitimacy that they are threatened with. So they cannot right now go the distance toward recognizing Israel that in other periods they might be willing to do.

So, again to return. I think before we plunge headlong into very serious national commitments that squeezes out, at least in public, our commitment to other issues, I think we need to step back and take and examine first principles of the Palestinian issue; first principles of the relationship between Israel and its neighbors; what works what doesn't work; what is our genuine national interest? And, really, now we have not only 20 but, I would argue, 80 years of experience in trying to resolve this issue if we include what the British tried to do in the 1920s and 1930s.

We have learned some lessons. But I don't think that they have been applied to the current circumstance.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Wurmser follows:

PREPARED STATEMENT OF DAVID WURMSER, PH.D., PRESIDENT AND FOUNDER,
DELPHI GLOBAL ANALYSIS GROUP

Chairman Lantos, Ranking Member Ros-Lehtinen and members of the Committee, thank you for the opportunity to share my thoughts on this very important subject.

In the last 20 years, several Secretaries of State, and often the President himself, have traveled to Israel and the West Bank over 100 times to bring peace between Israel and the Palestinians. The greater Washington area now represents the geography of peacemaking: Wye, Shepherdstown, Camp David and now Annapolis. In short, no foreign policy issue has consistently governed so much, and so high a level of, official U.S. attention as the Palestinian issue over the past 20 years.

Similarly, we have tried—through over sixty trips to Damascus by Secretaries of State, and Deputy Secretary of State—to turn Damascus from foe to friend. Damascus has been offered the return of the entire Golan captured in 1967. And yet, today Damascus stands closer to Tehran, more resolute than ever, in challenging our power and interests regionally.

In all those efforts—despite Israel's offer at Taba (while rockets were flying onto Jerusalem) in 2000 to cede about 95 % of the West Bank and Gaza to the Palestinians—the violence and tension between Israel and the Palestinians has not abetted. Indeed today, the tension and danger is arguably more intense than ever.

Throughout the period, anti-Americanism in the region has not declined. In fact, it grew most intensely from 1990 to 2000, when our peacemaking efforts were most focused and energetic. Throughout these 20 years, we have worked diligently to define a Palestinian leadership which recognizes Israel's right to exist. And yet, even Abu Mazen's government cannot bring itself to do so. For these two decades, we have tried intensely to create a Palestinian entity that severs its ties to terrorism and becomes a responsible actor, and yet, we now have a dangerous terrorist mini state on Israel's border. And for a decade now, we have tried to reform the PA to become a proper government—and yet the Palestinians themselves have rejected that leadership.

For two decades, we have called on Israel to take risks for peace and make painful concessions so that it will be accepted more broadly and solidly by the international community. And yet, after two decades, the voices questioning Israel's very right to exist even in Europe are louder than ever. Polls there show that even the populations of even our closest allies revile Israel and Israelis more than even Iran or North Korea.

The prospects that this time will be different and that we will see real progress follow Annapolis, and that all these trends will be reversed, are bleak for several reasons. First, the concept behind Annapolis was divorced from the President's forward strategy of freedom. Second, the Fatah leadership is so irredeemably weak that it cannot deliver. Third, we are ignoring the danger of the situation in Gaza. Fourth, the Annapolis framework "regionalized" the Palestinian issue when the historical record of regionalization of conflicts is tragic and violent. Finally, the Palestinian issue is not our highest national priority in the current strategic environment. Yet, it disproportionately occupies our attention at the cost of displaying commitment to more important causes, such as Iraq, Pakistan, Iran, and North Korea. In short, Annapolis failed to emerge from, and thus advance, our national interests.

Freedom:

The forward strategy for freedom remains the only proper foundation for dealing with Israel and its neighbors. To create a leadership capable of making peace with Israel, we need local institutions and accountability of governance among Palestinians. Over time, a genuine, popular and responsible leadership will emerge which will command the profound internal credibility to make the required decisions with respect to Israel and then deliver on those decisions. This is a long process that begins with institutions and civil society, not elections and phony democracy. These principles were the foundation of the June 24, 2002 speech by President Bush, and their realization remains the only viable foundation for a process to create a responsible and moderate leadership among Palestinians.

The roadmap inverted that effort. By putting Israeli-Palestinian talks up front, we and Israel needed a Palestinian interlocutor. The quest for the interlocutor forced us to abandon the June 24 principles in order to artificially define and prop up a corrupt and domestically unpopular leadership elite at the top of Fatah. It represented a microcosm of what we had tried to do for decades: bolster weak, secular Arab-nationalist dictatorships as a bulwark against extremism. This was hope against experience. This idea failed in Iraq in 1990. It failed with Arafat in 2000.

It failed again among Palestinians in 2006. Precisely because the Roadmap took precedence over first building a profoundly new Palestinian leadership, the Palestinians entered the January 2006 elections with a choice between a failed and corrupted ideology and leadership of the past—secular Arab nationalism under Fatah—and Islamist delusion for the future. Neither represented freedom. Forced to choose between despair of the past and delusion of Islamism, the Palestinians chose delusion. Hamas' victory and its takeover of Gaza in August 2007 are directly a result of the replacement of the June 24 principles with the Roadmap.

Current efforts to reform and build up Fatah leadership must succeed were the Annapolis process to mean anything. But the prospects of this are dim. For years, we have urged Fatah to reform. It has not. For years, we have tried to build the PA into an army capable of confronting Hamas. The trained soldiers and weapons of that army fell to Hamas in Gaza in days. For years, we have pushed Israel to withdraw and concede to prove to the Palestinians that Abu Mazen alone can “bring home the bacon” for the Palestinian people. But every Israeli concession has been viewed by the Palestinians as a result of Hamas' strength and Israel's weakness, thus confirming and reinforcing Hamas' leadership and rewarding its extremism, not Fatah's leadership.

And they cannot deliver:

Further investments in this leadership are wasted. Precisely because Abu Mazen and Fatah represent a weak leadership, they lack the sort of domestic credibility to govern, let alone make fateful decisions, so they are driven to seek legitimacy through tough postures. In fact, so weak and rejected is that leadership that it cannot deliver on the cornerstone of any negotiation structure: the acceptance of Israel's right to exist as a Jewish nation. And as long as that issue cannot be put behind us, then the process of negotiations called for by the Annapolis summit is a structure without anchoring foundations. And we cannot ask of Israel—or any other nation—to enter risky negotiations and make concessions until after it is accepted as a legitimate nation.

In fact, the failure of the current Fatah leadership to accept the essence of Israel raises a serious question, the answer to which must precede any meaningful negotiation: Are basic Israeli demands necessary for its survival capable of being reconciled with the minimal Palestinian national aspirations entirely within Cis-Jordan (i.e., the land west of the Jordan River)? If we cannot answer that question, then we can have no confidence in the entire framework we are pursuing—namely, the creation of two states west of the Jordan River.

The danger of Gaza:

The reality with which we must deal right now is not a Fatah/Abu Mazen government's finally gaining momentum and resurrecting its political fortune, but the emergence, consolidation and growth of a dangerous terrorist mini-state only miles from Israel's populous center, Tel Aviv. That mini-state is building an army reminiscent of Hizballah's in Lebanon, but this time buried in tunnels under, and hiding behind, well over a million civilians concentrated in only a couple of hundred square miles. Israeli units fighting along that front recently have commented that they are encountering not a guerilla force, but a real army.

Hamas now has rockets that reach into Ashqelon, the first major city up the road from Gaza on the way to Tel Aviv. It has already turned one Israeli city, Sderot, into a ghost town. Hamas now boasts that it has missiles that reach much further. Indeed, two months ago, Hamas shot a rocket into the Negev with considerably farther range than before, meaning they already have a proven range north of Ashqelon. During last summer's war, Hizballah rockets came down on Hadera, about 35 miles north of Tel Aviv. Hizballah claims it now has much more than it did when war erupted last summer. Last summer, we witnessed nearly a million Israelis flee their homes from Hizballah rockets to seek safety in the center of the country. How safe will that center be next time? And is the growing vulnerability of Israel's population to strikes from terrorist mini-states along its borders a strong foundation for future stability?

But the real danger of Gaza is not just Hamas' military build-up. Hamas now is Iran's phalanx. Its success and its challenge to Israel—like Hizballah's was last summer—are regionally understood to be a test of our, not just Israel's, resolve to confront Iran and the coalition of forces that seek to destroy the West. Our Sergeant Schultz response—we see and hear nothing—to Gaza is perceived regionally as a failure of our, not just Israel's, resolve to take on Iran.

The bottom line is that Hamas is strong. It drives events. Abu Mazen is weak and is driven by them. Hamas, along with its other allies headquartered in Damascus and aligned with Iran, drives events in directions dangerous not only to Israel

but to us. As long as we place the resolution of the Arab-Israeli conflict at the center of our strategy to take on Iran, and as long as Hamas has the power to drive events, then Iran—via Hamas and other Palestinian factions and Hizballah—exercises a veto over any progress in forging a coalition to confront it.

If Annapolis were a summit of nations congregating to forge a coalition to destroy Iran and take out Hamas—rather than to try to achieve Arab-Israeli peace now—then it would have had purpose. Instead, the summiteers whistled past the problem of Hamas and Iran and pinned all hopes on another negotiation process with Abu Mazen.

The danger of regionalization:

The Annapolis summit also took a dangerous turn in that it sought a solution by regionalizing it. The history of the Middle East tells us nothing if not that the regionalization of local conflicts is the problem, not the solution. Indeed, it is the persistent recurrence of internationalization of internal politics that afflicts, distorts and ultimately destroys so many Arab nations.

Whatever problems Lebanon may have had early in its life, the stream of intrusions by regional forces—the most dangerous of which was Nasserism and the tide of pan-Arab nationalism—killed it. Now a brewing fight over the soul of Islamism between Iran and Saudi Arabia threaten Lebanon reborn.

Similarly all the signs in Iraq, left to itself, point to a collection of Iraqi communities engaged in a rancorous, but ultimately reconcilable debate. Every time we have sought to load a regional solution onto the internal debate in Iraq—be it neighbor's conferences or the role of the UN representative Ladhkar Ibrahim— it has overloaded the system and led to dangerous breakdowns. More simply, every time we invite Iraq's covetous neighbors to dinner, Baghdad finds itself on the menu, not at the table.

But no issue has been as distorted, dominated and ultimately made as dangerous by exposing it to international trends as the Palestinian issue. Almost every war fought in the Palestinians' name has been fought to their detriment because those wars really had more to do with the agenda of other nations—mostly Arab, but also other great powers—and served their interests. Indeed, there is no solution possible to the Palestinian problem until the Palestinians are finally isolated and insulated from broader regional trends which seek to use the Palestinian cause as part of their regional strategy.

In that context, we have to understand the nature of the election of Hamas in 2006. Instead of cutting their own path and rejecting regional extremist trends, they voted to embrace those trends. They identified Iran, and Hamas as Iran's local representative, as the next great hope to ride to victory over Israel and the West. In short, in 2006 the Palestinians defined themselves and their national identity as the expression of, rather than bulwark against, the region's extremist trends.

Herein lies the core problem with the effort to resolve the Palestinian issue as a prerequisite for dealing with the problem of Iran. By this summit, we are again subordinating the Palestinian issue to regional trends, while also placing the resolution of the issue at the center of trying to create an international coalition to confront Iran. But the Palestinians have effectively chosen sides in January 2006; and they have chosen Iran. Until Iran is defeated and their revolutionary ideology thoroughly discredited, the Palestinians will place their hopes in Tehran and we will have little traction among them.

Priorities and timing:

Finally, the United States faces some of the gravest and most complex problems it has faced in a long time. In recent months, our Secretary of State has traveled to Israel and Ramallah nine times. But Ramallah is a sideshow compared to the places she has not traveled.

Not only the legacy of this administration, but the stature of the United States, truly rides on success in Iraq. It is imperative that all our top officials—not only our President and Vice President—regularly visit Baghdad to show the flag.

The Democratic People's Republic of Korea remains an unresolved issue, even though we have an agreement with Pyongyang on paper. If reports are true about the target Israel hit in Syria last September actually involved proliferation-related nuclear technology from North Korea, then we see just how unresolved that problem actually is. To deal with this problem, we need the closest and most intense cooperation of our most important regional ally, Tokyo—which sits within nuclear missile range of the DPRK.

Pakistan is at the brink. We face a conceivable scenario in which this nuclear nation falls into chaos and could wind up dangerously aligned with Taliban-like forces. And yet, the top agenda item the same week as Islamabad's upheaval is Annapolis.

As far as the Middle East goes, Iran poses the gravest challenge this nation has yet regionally faced. Tehran believes it has become the soul and sword of Islam and the vanguard to destroy the West, not only Israel. Across the Middle East there is broad fear that Iran will drag down the whole region into a civilizational clash, the consequences of which are unfathomable. And we have yet to devise a strategy that guarantees that Iran will not acquire nuclear weapons. The trajectory we are on will not stop Iran, nor will it bring about a collapse of the regime—which is the only way the region will ever see a day of peace in any corner.

For those nations most threatened by Iran, the Palestinian issue is the last issue with which they really want to cope. Iran has wired the Palestinian issue to its complete advantage. By becoming the champion of Palestinian extremism, Iran has positioned itself to accuse any regional leader who wishes to come to terms with Israel of betraying the Palestinian, Arab and Muslim trust to save his regime. The result is that in public, Arab leaders are driven to radicalize their positions lately on this issue. Now is not the time to expect moderation from Arab capitals since it plays into Iran's hands.

Conclusions:

As far as the region goes, now is the time to confront Iran decisively, not descend into sideshows. This might be able to be achieved without military force, but to ignore that option and take it off the table only emboldens the regime and makes it more likely that in the long run this will be resolved by war.

Iran is entering a particularly dangerous phase of its existence, one which will lead to even further war and escalation with us either through proxy or even directly. The longer we dally on side issues and fail to confront that regime, the more dangerous this problem becomes and the more Iran will transform this conflict into a civilizational struggle.

And as far as the Palestinian issue goes, before we plunge headlong into another process grounded on the same foundations as previously failed processes, we should step back and engage in a zero-based analysis of our real interests, of our experience and of our first principles. We now have 20, indeed 80 years of experience in peacemaking (if we include Britain's pre-1948 attempts to reconcile its commitment to Zionism with its relations with the Arab world). And arguably, we have not advanced much toward peace—other than perhaps the most stable and brief period between 1982 and 1989, which was not an era of peacemaking.

Chairman LANTOS. Thank you very much.

I want to thank both of our distinguished witnesses.

We will begin the questioning with Ms. Ileana Ros-Lehtinen.

Ms. ROS-LEHTINEN. You are a gentleman, also. Thank you.

I would like to yield my time to Mr. Royce of California because we may have pending votes, and I want to make sure he gets his questions in.

Mr. ROYCE. Thank you, Mr. Chairman. And thank you, Ranking Member.

There has been a lot of speculation about the prospects of peeling Damascus away from Tehran. And when I visited Israel last year during the rocket attacks, I heard deep skepticism that such a division could be made at the time. Of course there was cooperation between Iran and Syria with Hezbollah. And one seasoned Israeli diplomat who focused on Syria told me that the pursuit of such a policy would have to be launched in secret, like Kaddafi as he put it, and Annapolis on the other hand was very public. So how do you gauge the prospects of dividing Damascus from Tehran under this scenario?

We have heard a lot about Syria and its relationships with its neighbors there and regionalization. But the press has reported that North Korea was assisting Syria, state sponsor of terrorism, to build nuclear facilities. Information surrounding this relationship, of course, has been pretty murky, but some have speculated that this was kept quiet for fear of derailing talks with not only North Korea but also the Annapolis conference itself.

So what are your thoughts about the North Korea-Syria relationship here? Clearly this is a new paradigm that is being introduced in the Middle East because it is going to change the calculations of every other state.

And maybe, Ambassador Ross, if we could start with you.

Mr. ROSS. Well, let me react to each of the points that you raised.

As I said, I am just back from the region. One of the things I was struck by is that in Israel you find among the Israeli military a more active interest in seeing whether or not you can pursue the Syrian track. That has been there for some time partly because the Israelis see the Syrians as a state threat, partly because they see—getting to the heart of your question—the value of strategically seeing if you could wean the Syrians away from Iran, and partly because there is a concern that at some point they could find themselves in a war with Syria, and they want to know whether or not it is avoidable, all of which I think is understandable.

I think there is a desire to probe and test. I don't think there are high expectations, but I think there is a desire to probe and test.

This notion of the best way to pursue it that you heard from an Israeli, which is to do it secretly or quietly, is probably something that is generally agreed to among those Israelis who want to test and see whether something is possible with Syria, partly because the nature of the kinds of compromises or concessions that the Israelis would have to make, partly because they want to know whether or not the Syrians are serious or not.

And they are not real keen, I think, in a sense, creating an impression that somehow they are chasing after Syria which, if anything, might mislead the Syrians into thinking they are more important than they are.

Having said that, a couple of things struck me as being interesting. Having the Syrians come to Annapolis sent an interesting signal. There is an imagery that among Iran, Hezbollah, and Hamas, that A, you don't have to accept the two-state solution which is opposite of what the Arab League adopted; B, that they represent the wave of the future, and Syria was seen as being a part of the nexus. So when Syria goes to Annapolis, it suggests that well, maybe they don't buy off.

Mr. ROYCE. What was Syria's incentive to go to Annapolis?

Mr. ROSS. I think for a couple of reasons.

First, I don't think there was much cost in them going. Secondly, I think that there is—it is interesting the Syrians drew the conclusion, probably correctly, that when the Israelis attacked the target in Syria that was, you know—at least what has been reported was a facility that reflected a North Korean design of a nuclear reactor, that when the Israelis attacked that target, although they didn't admit they had done it, it drew not a single word of criticism throughout the Arab world. No one came to defend Syria. And that highlighted where I think most of the Arab world is with regard to Syria.

So going to Annapolis allowed the Syrians to demonstrate they weren't isolated. I suspect that also had a domestic consideration for them. And they also saw it as an opportunity to put their issues on the agenda, and maybe they also thought that it would send a

signal, even on the issue of Lebanon, that maybe with everything they are trying to do in terms of affecting, shaping Lebanon, when you look at the number of assassinations that have been carried out, when you look at the, literally, the effort to kill, I mean literally the majority of the Lebanese Government, maybe the Syrians also thought that this would convince the Lebanese that they were being accepted, including by us.

I was struck by the fact that in the President's statement, while everything was geared toward the Israeli-Palestinian issue, there was this parenthetical on Lebanon which I thought was designed to probably reassure the Lebanese who were nervous over what price was paid to get the Syrians to come.

So I guess the upshot is there is an interest on the part of the Israelis to test. I think there was an interest on the part of the Syrians to show they weren't isolated. I think there were those in the Arab world that want to say this was about comprehensive peace, because that is almost a code word. I think all of those factors help to explain why they came, why the Israelis may have had an interest.

I will tell you, in my presence on Sunday with the Prime Minister of Israel, he said publicly that he was in favor of a two-track negotiating approach. He hadn't said that before publicly.

So it says that the Israelis, I think, are open to probing the Syrians, and I think largely because of the interest in seeing whether or not it is possible to win them away from Iran.

I didn't talk to many people in Syria who had very high expectations that it could work, but I talked to many people in Israel who thought the strategic benefits, if it could, were enormous; and that is why I think they have an interest in it.

Chairman LANTOS. Mr. Ackerman.

Mr. ACKERMAN. Thank you very much, Mr. Chairman.

The question of the Palestinians' right of return is the same question of recognizing Israel's right to exist as a Jewish state. Very difficult issues for each side to verbally compromise on. However, much of the indication of the historic negotiations and discussions over the years indicate that there is a resolution that if the right of return is finessed and a certain number of Palestinians are permitted to return and the rest are compensated, that that would be a way around that part of the issue.

Do the Israelis need to hear in words or see in print that they have a right to exist as a Jewish state in order to sign a deal, Ambassador?

Mr. ROSS. At the end of the day, it is a sine qua non for a deal that in fact Palestinian refugees will have a right of return to their state but not to Israel. Otherwise you are you are talking about a one-state solution, or you are talking about a two-state solution that is a Palestinian state and a binational state.

So it is a sine qua non. Do the Israelis have to have it in words? They have to have it in fact and function. Would it be desirable to have it? Sure it would be desirable to have it. Is there a hesitancy for the Palestinians to say it now? They have already demonstrated that there is a hesitancy to say it now. Why? They would argue, because I heard it, they would argue that this is an issue that is

a core issue that has to be negotiated, and they shouldn't have to concede it up front. That is what their argument is.

There are Israelis—the flip side of that is the Israelis are saying, look, we are prepared to recognize a two-state solution; and by the way, if you go back to the Algiers Declaration in November 1988 when the PLO adopted an “approach to a two-state solution,” they took the language from 181, General Assembly Resolution 181, which talked about the partition of Palestine into the Jewish state. Those are the words used: A Jewish State, and an Arab State.

And it is interesting that Arafat repeated that formulation in 2002 in an interview, publicly in an interview with Ha'aretz.

So there certainly is precedent. If Palestinians want to find the precedent, they could do so.

Mr. ACKERMAN. We would have had more confidence in their saying it in an interview with a Palestinian newspaper.

Mr. ROSS. I would say that, frankly, if there were—if the current Palestinian leadership were prepared to give such an interview to Ha'aretz, that would probably still be seen as being valuable. Would it make a difference if it was to al Hayat al Jadeeda or al Kutz? Sure. But I think a readiness just even to repeat the language that they used in the Algiers Declaration of November 1988 would be of use. I mean, it does highlight something else. You can find lots of ways to say words. At the end of the day, what matters is not just words but behavior.

Mr. ACKERMAN. Dr. Wurmser.

Mr. WURMSER. Yeah. I agree with the Ambassador. I think it is a *sine qua non*. I think it also touches on something else which is, namely, that whatever resolution eventually is reached, it has to put to bed, in a permanent and decisive fashion, anything that could ever come up again.

It can't be finessed too cleverly. In other words, for example, on the right of return, it is not enough to have a practical answer to it where you would allow the Palestinians to say theoretically, Israel is still not—

Mr. ACKERMAN. And let me just ask if this formulation has to be agreed to in order for an agreement between the two parties. Does that same formulation on Israel's right to exist as a Jewish state and the settlement of the issue of the right of return have to be signed onto by the Community of Nations?

Mr. WURMSER. Yes, I believe they do. Because without that, the Israelis face a situation where some are—somewhere down line, circumstances change, and the argument would be made that the right was never quite surrendered. Practically, the ability to do so was surrendered in a mechanism, but the right was never surrendered.

Mr. ACKERMAN. Ambassador?

Mr. ROSS. It is an interesting question. I met with a group of Palestinian parliamentarians recently, and when this issue came up—actually it was a joint group that I met with and this was a little over a week ago—the Israeli side was raising this, and the Palestinians said it would be easier for them to accept—they preferred not to have to deal with it at the beginning of the process. But they said it would be easier for them to accept it if, in fact, every one who recognizes Israel recognizes Israel on that basis,

which I thought was an interesting formulation. In other words, Palestinians weren't the only ones being singled out.

Chairman LANTOS. Thank you very much.

The gentleman from New Jersey, Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman, and I want to thank our distinguished witnesses for their insightful commentary.

Mr. Chairman, first I want to congratulate and commend President Bush and Secretary Rice for their focused, serious, and desperately needed Middle East diplomatic initiative, which was underscored by the recent Annapolis summit. All of us hope and pray that peace and sustainable reconciliation will ultimately prevail in the region of the world that has known and experienced far too much bloodshed and terror.

Annapolis is yet another start, and let us hope it is not another false start. Good faith and rigorous follow-up by all parties are now required now more than ever. It seems to me that fatigue and disappointment born out of yet another failure would likely exacerbate the situation.

I think, Dr. Wurmser, you had pointed out that, forced to choose between despair of the past and the delusion of Islamism, the Palestinians chose delusion. And I think more fatigue could set in about the future, and we could get some very, very serious negative outcomes as a result.

Last spring, I joined a delegation that was led by Congressman Frank Wolf—which included Joe Pitts, Robert Aderholt, and Ambassador Tony Hull, our former colleague from Ohio—in Israel to encourage the faith community to undertake sustained and robust supportive actions in the cause of peace.

We met then and we have continued to meet with top Jewish, Islamic, and Christian leaders to urge them to systematically appeal to their respective congregations and communities to embrace non-violence and reconciliation. And it is our hope that that will create a sufficient space so the politicians on all sides can negotiate a more durable peace.

As recently as November 4th through the 8th, right here in Washington—I know you are familiar with this, Ambassador Ross—there were a number of participants from the Islamic side, the Christian side, as well as the Jewish side of the faith community—Cardinal McCarrick chaired many of the meetings, Frank Wolf actually led a conference call—created an active role for religious leaders in bringing peace to the Holy land.

My question, and again I take your point when you talked about the need of the Saudis and others to provide economic growth and opportunities, a Marshal Plan, if you will, for the Palestinians, I think that would create space on the ground. But I also think these clerics, who every week and perhaps much more than every week, meet with their congregations and have a bully pulpit where they can admonish peace and reconciliation, at least tolerance.

And my question is your view on the role going forward for these clerics of all of the three major faiths.

Mr. ROSS. I think it would be great. I mean, we have not had religious figures or leaders in the area take the lead in terms of

saying violence is unacceptable, coexistence is essential. On the contrary, we have often seen just the opposite.

So I think it would be highly desirable, were that to be the case. I think there are people like Rabbi Melchior in Israel who is, I think, a deputy minister still, who has taken a lead from the Israel side in trying to pursue this.

I think it is extremely important but it has been very hard to produce. So I am certainly all in favor of it, if in fact it can be done.

I would just note one thing. One of the important things that Sa-laam Fayed did is he brought together all 800 imams in the West Bank to Ramallah. And he said to them: No more violence in the sermons. No more preaching violence in the sermons.

When you are looking for some signs of change, this is a pretty important one. That was, in a sense, getting them not to be negative. You are trying to take it to the next step which is to be moral leaders in the pursuit of peace, and if we had that, it would actually make things clearly better.

Mr. WURMSER. Yeah. I think it is an important effort. But I also think that it needs to—that these clerics need context to gain traction. I mean, we have to do our homework and do our part to give them the environment where they have the credibility and the communities and the region to actually be heard, listened to.

In that respect, you know, I am very worried about the regional perception that Iran is winning. Because as long as Iran is perceived to be winning, it is a frightening thing for a cleric in the region to stand up to Iran. And that is not only regarding Arab-Israeli issues. It is regarding the entire relationship between the West and the region.

So I think that the image that Iran is winning needs to be addressed very profoundly in order to create the sort of context in which these clerics can finally gain traction.

I noticed that these sorts of voices had the best time really in 1990, 1991, 1992, not only the clerics but genuine liberal voices in the region had a lot of traction in 1990, 1991, 1992, 1993, precisely because the United States was unquestionably the victor in the Cold War. There was nobody else that seemed to be out there on the horizon. Saddam Hussein had just been crushed in a war. Still survived, but had been crushed. All of the alternatives to America were gone. And you saw people beginning to stand up and say, you know, wait a second; there might be something to the West. There might be something to the ideas of tolerance, to the ideas of communication, to the ideas of freedom and democracy, that really have—it may be the source of why the United States won.

And that if we, the Muslim world, want to exit this, which is the perpetual question of the region, exit the malaise of the last 1,000 years, we have to start looking at these questions.

I even saw Palestinian leaders saying things like, why is Israel so strong? Why do they keep beating us? Why can't we get at them? Well, because they are free. Maybe we Palestinians should also start looking at the basic questions of freedom.

This was a moment in which the context was proper. And so that is why I return to the question of the context. I think these efforts are important, but we need to do our homework to give them the sort of platform and traction that they need as well.

Chairman LANTOS. The gentlelady from California, Ms. Watson.
 Ms. WATSON. Mr. Chairman, I want to thank you for this hearing, and I want to thank our witnesses, Ambassador Ross, Mr. Wurmser. I think that you have given us a brief but thorough understanding of just what we are up against.

And I have been in this part of the world in the early years, and one thing I do know: The conflicts are thousands of years old. And I am sitting here saying how do we get to the essence and provide the leadership.

Well, I think one thing is we don't have much credibility and anti-Americanism is spread broadly and globally. We have traveled this globe, and I want to commend our chairman for giving us a moment to remember the former chair who took us around the world. And I tell you consistently, our credibility has disappeared.

And so with that, I understand that the joint understanding does not specify a role for the United States in the negotiations.

What is your view of this, and should we play a direct role? I mean, how can we be there overseeing and mediating when I don't think we really understand the core issues of the conflicts in that area, not just Israel and the Palestinians, but the conflicts that appear based on religious beliefs and ideologies and based on the leadership being of a—thank God here in America we separate our politics from the church, but I am sitting here even more confused than ever with what role we should play.

Can you respond, starting with Ambassador Ross?

Mr. ROSS. I don't have any problem with the structure, the role that the administration has established for itself. I would—

Ms. WATSON. How direct?

Mr. ROSS. The administration has said it will be the monitor and judge of fulfilling obligations. As I said, since at this point there is no clear criteria or standard for performance, I don't know what it means to be a monitor and judge. So you are going to have to establish—

Ms. WATSON. So we have to establish the criteria, number one. The parameters.

Mr. ROSS. We are certainly going to have to help the sides to come to that unless we want the next year to be a discussion of the differences on their obligations. I mean, that can easily—that can easily be what takes place.

Ms. WATSON. Be more than the mother of photo opportunities.

Mr. ROSS. Which is what one unnamed member of the Israeli delegation referred to Annapolis as being—the mother of all photo ops. I think there could be some others that could compete.

But the fact is, I think that the role for us at this point is not to take the place of the bilateral negotiations. The two sides have agreed to that, and the truth is, I have always been in favor of them taking the lead, for a simple reason. If you are going to reach an agreement, they have to own it. They have to invest in it. They are going to have to believe it. They are going to have to defend it, and they are going to have to defend it against those who are in their own constituencies who will resist it.

So I have never been a believer that you can impose this. You can't impose peace any more than you can impose democracy. So the fact is it does have to be bilateral.

But we can help a lot in terms of the structure. We can help a lot in terms of focusing on helping to create the context. The context is both the local context, and, to some extent I think what David said, I agree with as well. There is a regional context as well. Annapolis was a statement at the very beginning. It was not only a statement in support of a peace process, it was a statement against the Iranians.

Ms. WATSON. I see the yellow light coming on.

I would like to throw this out and you can run out the time on the clock.

In listening to the two of you, I don't think that putting a military person in charge, General Cole, because that gives a different message. I would think that scholars such as yourself, the ambassadors who have dealt with the researchers, would send a different message, those who have a clear understanding of the issues that plague this area of the Middle East.

What is your response?

Mr. WURMSER. About the credibility of America and the role regionally and so forth.

You know, you have asked, Representative, you have asked an incredibly profound question here. It is really what is the role of the United States; what is the role of anti-Americanism; what drives the rage in the region, a rage which is not recent, it has been going on a while. It is, frankly, an anti-bipartisan rage. We saw it directed at America in the 1960s, 1970s, 1980s, 1990s, now. It is growing.

There are really two schools of thought on this. One is the rage is driven as a residual of the despair following the treatment and arrogance of the West toward the Middle East. So therefore it is derivative entirely of humiliation. And the answer to that is to address the causes of humiliation.

The other school of thought on this is it is driven by contempt. It is driven by a region that is still coming to terms with the fact that it was not where it was 1,000 years ago. And it is the trial and agony of that realization and the inability to come to terms with it and the desire to see the failure of the West, the desire to channel this anger on to the West that drives the rage.

Where you fall in that debate will lead you to two very profoundly different policy recommendations. So it is really the first question that needs to be asked before we go and try to address the cause.

The second issue, and I do believe the President addressed these issues following 9/11, which is that whatever the cause of the rage, we did see governments in the region channel that rage externally onto Israel, onto us. The period of the 1990s saw a tremendous growth of anti-Semitism in official media in Egypt, for example. It saw a growth of anti-Americanism all over the region. And I think partly it was because they thought it was free, that this was a good way to export the problem.

Professor Fuadajami expresses that opinion a lot. And it was a freebie. What harm could it do? The West was powerful. They will deal with it. And then came 9/11.

So I think there is a profound question embedded in what you are asking, leading to two different policies, but either way, we still

have a problem of how governments are facing challenges, intellectual and ideological challenges, export that problem.

As far as scholars go, the record of scholars and policy positions is mixed. You know, you probably will get—scholars are very good at understanding the region but not necessarily good at comprehending and executing the national interest. And anybody in a public position, that is his basic objective. So I would be careful.

As far as a general, I am not sure that it is really seen as a general by the Palestinians and Israelis. Clearly the Israelis feel more confident with somebody who has security credentials to judge things that affect their security. Palestinians see it as a symbol of American power and that does carry a lot of weight in every uniform. So I don't think it is a problem.

Chairman LANTOS. Thank you very much.

Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you very much.

The chairman had mentioned Russia in his opening statement, and I wanted to ask some questions related to that. There have been numerous press reports that Russia will be the host of a follow-up peace conference this spring with particular emphasis on the conflict between Syria and Israel.

And I wanted to ask the panelists how Russia, which has long played a destabilizing role in the region by selling arms to both Iran and Syria, can be trusted with such a process and given that some of those arms ended up in the hands of terrorist groups, including Hezbollah, why should we reward Russia in its pattern of disturbing behavior in the Middle East by participating in a conference it hosts to bolster the claims of its ally Syria.

Mr. ROSS. Well, I guess I would, you know—I wouldn't be in principle against doing it. I would say that it ought to be part of a strategy.

I mean, in answer to your earlier question when you asked, What is the American rule?, I think we have to develop a strategy of implementation. And I think the question would be: How does such a meeting fit into the process? Is it going to reinforce what is going on, or is it going to detract from it? Is it going to make it more likely that you have a chance to succeed or not? And here I would say you asked the—you used the word "reward." I would say when it comes to the Russian behavior right now, it is clear that President Putin capitalizes on and uses the imagery of the humiliation of loss of status on the world stage as a way of building his popularity on the inside.

Now, if the Russians want to play a major role worldwide, that is fine, provided they are being responsible in their behavior. If it is turns out they are not, I could not understand why one would want to be assisting in them playing that role. So I come back to the notion of statecraft.

Statecraft is recognizing we have openings as well as leverage, and if there is something that the Russians want, we can be very understanding of that, provided also that the Russians are taking account of what is important to us more generally, and in this case, are they helping this process along or not, and would such an event actually be an assistance to it or would it be a detraction from it.

Mr. WURMSER. I agree with Ranking Member Ros-Lehtinen. I have a great deal of skepticism over Russia's intentions here. We have seen over the last year weapons sales to Syria at a time when Syria is quite frankly, killing, one at a time, the Lebanese Government and continuing to undermine the stability of that nation at a time when the Syrian leadership continues to threaten war against Israel. In the summer they said right out that if Israel doesn't concede the Golan Heights, they will take it back by force.

So this is a regime in Syria that remains rather blunt and thug-like in its behavior. And in this period the Russians haven't done anything to warn the Syrians that their behavior would be answered by a reduction of or a tempering of their own armed sales, let alone their own relations with Syria. This is at a time when the international community was moving toward a further ostracization of Syria.

So I think for me personally if the Russians want to have a conference, I think that they need to show that they first see the problem and that they are willing to play a constructive role here in pushing the Syrians in the right direction rather than enabling them.

Chairman LANTOS. The gentleman from New York, Mr. Crowley.

Mr. CROWLEY. Dr. Wurmser, thank you. Ambassador Ross, good to see you again.

Let me go back to your testimony, and I don't think you were reading verbatim. You were going off—it seemed pretty accurate in terms of what you have in your submitted testimony.

Just for a point of clarification, you were describing the nature of Hamas in Gaza. And, again, I don't believe it is a direct quote from any military personnel within the Israeli units. I will just quote: Israeli units fighting along that front recently have commented that they are encountering "not a guerilla force but a real Army."

Just for the purpose of clarification—because I think in terms of what is said here is on the record and could be used elsewhere later on is important—does that mean that there is a command structure, that they are uniformed, that there is a way in which one could delineate between the armed forces and civilian forces, moving from your description from a guerilla force, and therefore clearly a terrorist organization, toward the more legitimatizing definition of an armed group as an army? And in and of itself, are they receiving pay from a state or from an entity within Hamas? Are they drilling?

Those are the kinds of questions.

Mr. WURMSER. Thank you, Representative, for the opportunity to clarify that.

Yes, the quote or the citations I was referring to actually were—I believe it was in one of Israel's main dailies. Now the context of that and the way that it meant, no, it doesn't mean they are becoming a responsible, structured, real army with which you can deal as a real army, I meant as Hezbollah in Lebanon, which means, yeah, they obviously have a command structure. Do they always wear uniforms? No, not always. Hezbollah did Lebanon did not. In fact, I think the Syrian Army may be thinking about similar

things. These are violations, by the way, of the Geneva Conventions if you don't wear a uniform in combat.

The second thing is by saying it is a real army rather than a terrorist army, I don't mean they don't engage in terrorism, what I mean is we are seeing the professionalism, the training, and the capability of these forces growing qualitatively at this point. This is not anymore a collection of 20 cells of rag-tag units, this is now a real threat, a real coherent, coordinated, directed, and strategically informed threat.

Mr. CROWLEY. They would still be considered a guerilla force though. They may have more opportunity to work in the open, but there is more still—there is still a clandestine nature to what they are doing; is that correct?

Mr. WURMSER. Absolutely. And by the way, the people who are training them directly and indirectly are the Iranians. When you look at the core structure of the Iranian military threat, it is not conventional forces. It is precisely large-scale guerilla-like warfare. That is what the Israelis discovered in Lebanon with which they had such difficulty to deal.

So no. Actually, people must have spent a lot of time thinking, How do you take what the PLO did in the sixties and seventies, or the KGB encouraged people to do in the Cold War, and turn this into a grand strategic force based on those guerilla principles? By the way, there are precedents in Islamic history so this is not without legitimacy that doesn't also emanate from that history.

Mr. CROWLEY. Thank you, Doctor. Thank you for your clarification. I think it is important for the record to reflect that as well.

If I can ask this of both of you, before the conference began I had written to Condoleezza Rice, Secretary of State Condoleezza Rice, about a concept we had to call upon her to create an international fund for the Middle East modeled after the International Fund in Ireland (IFI). And not unlike many of my colleagues, you were involved, including the chairman, of moving toward a peaceful reconciliation of Ireland. And I think many of us would agree that history will pan out that the IFI played a critical role in developing an atmosphere and environment for peace on both sides of that divide.

There are many, many groups that are working within the Middle East today to achieve that similar goal, that same goal. But unlike our friends across the pond in Ireland, there is not a central clearinghouse to help coordinate those groups and in their efforts working on both the State of Israel and the PA.

And I do believe that there has to be a parallel track that is going on besides the diplomatic and even military aspects that need to take place, and working beyond that and beyond even the donor fund that is being talked about again with the French, asking for assistance for the Palestinian Authority and aside from any moneys that would go to the Palestinian Authority.

Could you both just comment in terms of that thought or that idea in terms of our involvement? Some \$.5 billion was spent over a number of decades in the IFI. I am sure a considerable amount more would have to be spent in the Middle East, but if you could commend on that, that prospect.

Mr. ROSS. Well, I think it is a good idea and I would welcome that. We have had a donor effort that has had something called the ad hoc liaison committee as its kind of steering group for some time. One of the things we have seen throughout with the donor effort is it certainly has provided lots of money to the Palestinian Authority over the years, millions of dollars in fact.

Obviously not all of the money has gone to the purposes that it should have been intended. And I would say one of the problems we have seen consistently and we will see it again on December 17th in the Paris Conference, there will be very big pledges made and it will take a long time for the pledges to materialize. We need something that is much more practical and much more immediate and much more targeted in a way—as I have said when I was speaking earlier in the testimony, I would really like to see a mechanism that would produce the kind of financing of housing and infrastructure projects—specifically construction, where the Palestinians were the backbone of the Israeli construction industry and can't work there—could be the focal point and that there was a clear mechanism that was producing it on a timely basis.

I am very concerned that we are going to find that when a lot of this assistance actually materializes we will have missed the boat. And if we are going to see someone like Salaam Fayed succeed, he has to show the way he works. He doesn't have a strong political base today. That base could be created if, in fact, he can show that his way works.

I would like to see a lot more done in terms of grassroots organization that is being done. When we look at what happened with the elections, there was a vote against Fatah. And the vote against Fatah was as much because it was corrupt, it was alienated from the public, and it wasn't very well organized either.

Well, a lot of the assistance was seen as going into the pockets of Fatah people and that added to the sense of alienation.

Mr. CROWLEY. Frustration here as well.

Mr. ROSS. Well, for good reason.

So if you had a different kind of structure and different kind of mechanism that was also very targeted, I think it would be quite beneficial to what is going on.

Chairman LANTOS. The gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

I have really enjoyed this hearing. It has been very, very informative. But I think that I would like to come out on the side of saying that this was a very, very positive step in Annapolis. I think the first thing to consider is the fact that it happened at all. I think that was a major, major accomplishment. But I think comes the question now, Where do we go from here?

And instead of evaluating this upon certain accomplishments or certain solutions, I think that, to me, three important situations need to be examined.

One is there was an overwhelming show of Arab support at this summit. That is a good thing. But I would like for us to examine for a few moments why. The question has to be, why was this? Why did approximately 25 Arab nations show up? That is a great accomplishment. Did they show up because they wanted a stronger alliance with the United States? Did they show up out of fear for

Iran? Or did they show up to show greater support for Abbas as opposed to Hamas?

I think we need to examine that, and especially within light of the bombshell that has been dropped this week in terms of the National Intelligence Estimate (NIE). Because if, in fact, we come to the conclusion to the first part of the question that they came out of a fear of Iran, so that they would get a stronger alliance with the United States, then the question has to be, would they have come had that National Intelligence Estimate been dropped 2 or 3 weeks prior?

We haven't discussed what impact does and did the National Intelligence Estimate have on this meeting? What does it portend for the future? If those items were correct, will we still have that Arab participation? And what does this really do, in your estimation, to the consistently tearing down of America's credibility on intelligence matters?

And then finally this point: Probably one of the most disturbing things to me that came out of this was the fact that we, the United States, invited Iraq, invited the Maliki government, a government and a nation which is in extraordinary debt to us of nearly 4,000 soldiers' lives, nearly \$1 trillion of our Treasury, over 34,000 wounded. And the Maliki government did not even send a representative, largely because they did not want to offend Iran.

Could you comment on those points for me, each of you?

Mr. ROSS. Very interesting set of questions. I would say the following.

Why do they come? Partly to show support for Abbas. Certainly among the Palestinians that I saw, in their reaction to Annapolis when I was out there, was that they saw this as a good indication of support for Abbas. That was the good news for them. The bad news is they were hoping for more specific results. But they felt that there was a show of support.

That was partly part of the reason they came, but I believe a major reason they came is because they are trying to show that on this issue something can happen. And they see Iran using the Palestinian issue as a club against them. So here is a way that they could show that, no, there is a possibility here.

If the NIE had come out before, would it have changed the way that they would see things? It might change the public framing of the issue, but it doesn't change the realities they know they have to live with. You know, most of those who live in the region know that Iran is a threat; they don't have to be told it. They are not going to be persuaded or dissuaded by the NIE—on the contrary.

They see Iran supporting political movements from militias designed to weaken the existing regimes. They see everything through a Sunni-Shia lens in a competition. They see Iran trying to gain great leverage over the region. I sort of equate the Iranian strategy in the region as the Iranians want to become the Sopranos of the Middle East. And everybody in the region gets that.

So the NIE is not going to change the reality, but it may change the political context, the framing in which they deal with that reality.

Mr. WURMSER. An interesting thing about the NIE would be the way it would be read in the region. And it is part of the nature

of the region and what we have to deal with when we deal with the region, but the public debate, I am certain, will probably digest it not as a genuine internal American re-evaluation that then drives and influences the behavior of the United States Government. I am sure that there will be a tremendous amount of interpretation of it as—I mean, to put it in a very blunt way—the United States has bit off more than it can chew in confronting Iran; the United States is looking for a climb-down; it devised this to climb down. And, therefore, it is a sign of American weakness. I am sure there will be editorials and so forth in various papers across the region saying this.

This said, I think that Ambassador Ross hit the point right on, which is I don't think it changes the perception of the threat in the region of Iran, partly because the threat wasn't only nuclear. It is much deeper. It is really a battle over the soul of Islam that is the threat that Iran poses.

But that said, I think the fear went up with the release of the NIE, because they are worried that the United States is beginning to teeter on the Iran question. If you are a Saudi, if you are in Bahrain or Qatar or wherever, one thing you could bank on was that we were focused on Iran, that we were taking very seriously the threat of Iran. We moved three carriers out there last January. In fact, there was real both nervousness but also some hope that we would do something against Iran in the last few months.

And, again, if you think the way that you see these editorials and so forth in the region play out and they interpret it as a conscious act by this administration to climb down, rather than what it genuinely was, which is a re-evaluation driven by internal forces, then you will actually get frightened by this event. So I think, actually, the perception of the threat of Iran is heightened by the fear that America is losing its focus.

Chairman LANTOS. Thank you very much.

Before turning to my colleague from New York, I want to commend my friend from Georgia for raising Iraq's non-attendance. And I would merely like to raise the issue of Kuwait's non-attendance. Kuwait today would be a villa on the French Riviera had we not saved Kuwait as an entity. And I think it is appalling and outrageous that the Government of Kuwait did not have the decency of accepting the invitation of our Secretary of State.

The gentleman from New York, Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman. And since you mentioned that, I want to say that I concur wholeheartedly. It really galled me that neither Iraq nor Kuwait were represented at Annapolis.

Mr. Ross and Dr. Wurmser, thank you.

Can either one of you tell me what is different, if anything, now that—President Bush, for years, said that he wasn't going to go down the Clinton administration's path of trying to do these things together, and then, lo and behold, we have Annapolis.

Let me start with Dr. Wurmser. What is the difference? Isn't actually what the Bush administration is trying to do now the exact same thing that the Clinton administration tried?

Mr. WURMSER. Actually exactly. I think that the foundations and assumptions behind the process right now are similar to the ones

that were pursued before, which is precisely why I am somewhat skeptical that this will reach any positive end.

Again, I don't see the Palestinian leadership either more popular, more able to deliver than they ever have been in the past—and, in fact, the opposite. They are weaker and, therefore, more driven to not being able to concede and deliver anything.

Second of all, the dangerous situation on the ground, if anything has changed, it has changed for the worst. We have Hamas creating a mini-state right on Israel's border. Whatever security and confidence that the Israelis—another major change, I think, was the war last summer. In my travels to the region in the last year, I was struck, especially in Israel, by how profoundly shaken the Israelis were by the war last summer against Hezbollah. The sense of security—sorry, sir.

Mr. ENGEL. No, that is okay; I am sorry. So let me ask you: Why, then, is the Bush administration doing this?

Mr. WURMSER. Well, I think there are probably many reasons. First of all, I think they are genuinely hopeful. I don't think that I want you to take away from the intent here and the genuine desire to solve this problem.

But I also think that there is this feeling that this problem lies at the center of why we can't craft a regional coalition to deal with major problems over and over again, be it the Soviet Union in the 1950s and 1960s, be it Saddam Hussein, now be it Iran. I, frankly, think that is another one of the assumptions that should be examined.

We have now 80 years of experience of negotiations between, first, the Zionist cause in the 1920s and 1930s, prior to the existence of Israel, and Britain. And I think what we saw was that our understanding of what drives Arab anger at us over this issue hasn't been borne out by the facts. The historical record is that, at times that the West, starting with Britain, sought to make itself more popular on the Arab side, at the expense of trying to distance itself from Israel or the Zionist cause before, actually were the periods which were followed by the greatest problems Britain and the United States had.

So I think the framework has to be re-examined.

Mr. ENGEL. Thank you.

Let me go to Dr. Ross.

Ambassador Ross, as you know, I am an admirer of yours. I have read every book you have written. And I am always asking you questions; I am always interested.

When I asked you the question about why you think Arafat, being given 98 percent of everything he wanted, balked, you said that some—I am oversimplifying it, but essentially you said he was never able to move from rebel leader to statesman, like Mandela did.

Mr. ROSS. Right.

Mr. ENGEL. Do we have any reason to think that, you know, a weakened Mahmoud Abbas can do these things?

I really believe that a major reason why Arafat didn't pull the trigger is because he and many others still don't recognize Israel's right to exist as a Jewish state. Is that not the question?

Now, we are told that—the Palestinian Media Watch reported that Palestinian Authority state television, the day after the Annapolis conference, showed a map designating all the territory between the Mediterranean and the Jordan River as Palestinian, without any indication of Israel's existence. The images distributed by Palestinian Media Watch showed the colors of the Palestinian flag covering the entire area, implying that this was a political statement, not a mere reference to Palestinians.

So is that not a problem? They still don't recognize Israel's right to exist?

Mr. ROSS. There is no doubt in my mind that one of the things that is required of the Palestinian leadership, if they are going to do this deal, is to not wait to the last moment and spring it and say, "Now we have taken this great leap."

I talked earlier in my testimony, you have to create a public context by showing things are changing on the ground for the better. Well, the leadership will also have to condition the public at a certain point. Arafat was never prepared to condition the public, which was the best indication he wasn't prepared in the end to do the deal.

In the case of Abu Mazen, I think he has an intention. Now, the question is, Does he have the capability? Well, one measure of being able to do this is, at some point, he is going to have to condition his public to the fact that there actually will be compromises on the Palestinian side too. And if there isn't a readiness to do that, then it is pretty clear you can't reach the deal.

In my judgment, you are asking a basic question. I will give you a straight answer. Do I believe that this Palestinian leadership of Abu Mazen and Salam Fayyad accept Israel as a Jewish state? I believe they do. Now, are they saying it at this point? They are not saying it at this point. At some point, it is going to have to be said.

Mr. ENGEL. Saeb Erekat said the opposite.

Mr. ROSS. He said the opposite. It is true; he said the opposite.

At some point, they are going to reach an agreement that is going to reflect the reality that it is a two-state solution, meaning it is a Palestinian state and it is the Jewish State of Israel.

You know, on Sunday I was with a group of Fatah activists who spoke to a group that I was with, and they said openly to this group that they believe the outcome has to be—and this is in answer to your question—they believe the outcome has to be two states for two peoples. Well, that is a beginning. That is the way to begin to formulate it.

Mr. ENGEL. And at what time did they announce the——

Chairman LANTOS. The gentleman's time has expired.

Mr. ENGEL. Thank you, Mr. Chairman.

Chairman LANTOS. The gentleman from California, Mr. Rohrabacher.

Mr. ROHRABACHER. That is all right, Eliot. I will be very happy to follow up on exactly that point.

Because I have just returned from that region, and one of the disappointments I had was, when I was speaking even to moderates, they had trouble getting out of their mouth the fact that the right of return is an unreasonable concept, as long as we are talking about the right of return to pre-1967 borders. The right of re-

turn to the West Bank or to Gaza, that is certainly all right. But even the moderates that I talked to couldn't get themselves to actually say that, that, no, the right of return is not something that is reasonable to expect. Am I wrong?

Mr. ROSS. No, I think that your experience is not unusual. But I will also tell you that there are those Palestinians—when they were negotiating, the group of Palestinians who negotiated the Geneva Accords a few years ago, one of the things they did is they began going out and making the case publicly, including in the refugee camps, in terms of saying—because that agreement, in the end, they basically established—if you look at the Geneva Accords, what they did is they said, all right, there is going to be—they would have produced a right of return to their state but not to Israel. And they went out and began making the case.

One of them told me, actually with a fair degree of pride, we have never been able to touch this issue, to debate this issue, to discuss this issue since 1965, and now we are.

Mr. ROHRABACHER. Well, it needs to be discussed openly and honestly and sincerely, because if they don't get in their mind—now, number one, it took a long time for Israel to agree that there was going to be a Palestinian state. I remember 10 years ago when people like myself were vilified for suggesting that there should be a Palestinian state and we ought to give the Palestinians an alternative, rather than just to fight their lives away with no hope of having anything else but either the destruction of Israel or nothing. So we have given them that alternative, but part of that alternative is they have to give up what? They have to give up the right of return. Because Israel doesn't exist if they have that.

But Israel, at the same time, has to give up any of the notions of keeping these settlements on the West Bank or keeping territory that they gained in the 1967 war. Everybody knows that is the tradeoff. That is the easy thing for everybody to understand. And people have to look at it in a very adult and realistic way and accept reality, which is what you are suggesting. And I hope that the Annapolis talks will lead to some progress to that area.

One note: We need to give—the right of compensation to those people who lost their property is something that should replace the right of return, and it might be acceptable. One thing else, the Red-Dead Sea project, I think that if we do things like that and can get involved in that way and offer the players that we will help them provide more water for that region—which, of course, is one of the biggest impediments of settling the Golan issue, is water, not security—perhaps we should be focused more on that in the time ahead, and we might be able to bribe them into taking the right stand.

Mr. ROSS. A couple of points.

I mean, one, I fully agree, there has to be a public conditioning, because it won't be easy simply to accept the deal if there is no public conditioning in advance.

Two, there will be settlement blocks, you know, in about—depending upon, I would guess, 4 or 5 percent of the West Bank, but there will be territorial compensation for that.

Three, the Red-Dead Canal is something that the President of Israel, President Peres, is heavily focused on. And I think he is fo-

cused on it for all the right reasons. It is not just the issue of water, but if it is done, it is a question of water but it is also a question of great job creation that will be of benefit to——

Mr. ROHRABACHER. And cooperation between Jordan and Israel and, actually, Israel and the Palestinians.

Mr. ROSS. That is correct.

Mr. ROHRABACHER. One last note before my time is gone. I certainly agree and couldn't agree more with the chairman on his disappointment about Kuwait and Iraq not attending Annapolis. And then you read the newspaper where Afghanistan has just given a contract to the Chinese to develop their mineral resources. All of this seems to confirm the idea or the observation that the fastest-drying liquid known to man are tears of gratitude. And if we count on the gratitude of people, we are always going to be disappointed.

Thank you very much, Mr. Chairman.

Chairman LANTOS. Thank you.

The gentleman from Massachusetts, Mr. Delahunt.

Mr. DELAHUNT. Thank you, Mr. Chairman.

Let me direct this to Ambassador Ross.

Dr. Wurmser said in his statement that the Palestinians chose to embrace extremism in the elections that resulted in the Hamas victory. And that provoked, again, an analogy to Ireland, where we have seen the ascendancy of Sinn Fein over the course of the past 10 years or 15 years, 20 years, over the Social Democratic and Labour Party (SDLP). And they didn't do it, in my own assessment, because of a political reordering, but rather they offered goods and services. They did that old-fashioned political work.

What is your assessment? Do you accept his conclusion that the Palestinian people embraced extremism?

Mr. ROSS. Well, the vote had the consequence of that.

Mr. DELAHUNT. I understand.

Mr. ROSS. Now, David and I may differ on this. My view is that Hamas ran under a banner of reform and change. They didn't run under the banner of, "We are going to create an Islamic state." And I think what you had was people were voting a rejection of Fatah. They were angry at Fatah because of the corruption. And they also saw that what Hamas did, A, it wasn't corrupt and, B, it was delivering sets of services. And they were very well-organized at the local level in ways that Fatah——

Mr. DELAHUNT. They were better politicians.

Mr. ROSS. Much better. I mean, even to the point that they ran one list, Fatah ran multiple lists in the same district. So at the end of the day, they got 44 percent of the vote and Fatah got 41 percent of the vote.

Now, it isn't to say that the Palestinians were completely unaware of who they were voting for. That is a very patronizing attitude to have, that they had no idea who the Hamas people were. They had an idea of who the Hamas people were. And in a sense, what they were voting—they were voting their rejection and anger at Fatah on the one hand, and on the other hand they are saying, "Well, what do we lose by voting for Hamas?" I don't think they thought they lost a lot by voting for Hamas. So I think the two were hand in hand.

Mr. DELAHUNT. Right. But what I think is important—and I respect Dr. Wurmser’s credentials. But I think, to a large degree, right now we are speaking to the American people. And I think to hear the term, “The Palestinians have accepted extremism,” you know, that creates a perception that the events that occurred in the last 2 or 3 years are predicated on how we view the reality, as opposed to what the reality in terms of the people in the region actually understand.

And we can walk away, even Members of Congress, erudite and as conversant as we are in the nuances, with an opinion that those Palestinians did embrace extremism, and therefore we should be predicating our policy decisions on that particular premise, as opposed to examining in a more nuanced way what the reality is. That is just my own observation.

And, again, let me ask you—at some other hearing, I will work it the other way. You know, Dr. Wurmser indicates that there are other priorities that—and I hope I am being fair—that are far more significant or have more significance in terms of what our energies ought to be about. He refers to North Korea, Iraq, Iran. Now, clearly there are policy concerns, but he seems to take the Israeli-Palestinian issue and put it at a different level, in terms of where we are to focus our efforts.

I would concur with Congressman Engel and Congressman Rohrabacher. I welcome Annapolis. I don’t know where it is going to go, but it clearly is a dramatic shift from 10 days after the inauguration when President Bush, at a National Security Council meeting, said that, “I don’t see much that we can do over there.” Maybe it is too little too late, but it is certainly a re-engagement, and I welcome that.

Mr. ROSS. I have certainly been critical of the administration for not being active enough. But I would also say we ought to be able to walk and chew gum at the same time. And the fact is there are some very big issues in the region.

And it is interesting, if you look at the past year, that it took 6 years for the administration to take this issue seriously. It is pretty amazing thing that the—you see the Secretary of State much more active on this than you do see her on some of the other big strategic issues, on Iraq or Iran or, for that matter, I think North Korea. Yes, maybe she has got Chris Hill involved in that. But I would just say I think it is a legitimate question to say, is this the only issue the Secretary of State should appear to be spending all of her time on? I think that is a legitimate issue.

But I welcome Annapolis. I welcome the new activism. I would also like the new activism to be informed by a real sense of the texture of what is going to be required.

Now, the reason that I went through and I defined the gap in terms of interpretation of obligation and how difficult will be, even if you establish a common definition of what each of these obligations will require, you actually have to develop a textured strategy for what you are going to do to act on these. What I don’t want to see is the administration establish again a very ambitious objective but then apply minimalist means to pursue it.

Chairman LANTOS. On that note, I want to thank both of our distinguished witnesses for an extremely enlightening hearing. We are deeply in your debt.

This hearing is adjourned.

[Whereupon, at 4:57 p.m., the committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE GENE GREEN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, I thank you for holding this important and timely hearing, and I want to welcome our witnesses.

On November 27, 2007, in Annapolis Maryland, the United States hosted an international conference focused on supporting the efforts of Israeli Prime Minister Olmert and the Palestinian Authority's President Abbas, to realize a vision of two democratic states, living side-by-side in peace and security.

This conference resumed talks concerning the long-stalled international Performance-Based Road Map to a Permanent Two-State Solution to the Israeli-Palestinian Conflict, issued by the international Quartet in 2003.

Under this three-phase Road Map, independent observers agree that neither the Israelis nor the Palestinians have successfully completed even Phase I.

Therefore, I was glad to see that this conference would jump-start talks again, and hopefully, Israel and the Palestinians can devise a road map to peace that is both politically attainable and promising for peace in the region.

I've been to Israel several times, and I most recently went this past August.

I must say that things looked more promising than during any of my recent trips, especially considering everything that has happened in the region over the last year and a half.

Today, Abbas seems to be taking the steps we expected him to take when he took office, and pushing Hamas to the sidelines politically.

Recent polls have also shown that Palestinians overwhelmingly prefer the Western-backed government of Palestinian Prime Minister Salam Fayyad over the ousted Islamic Hamas' government.

It remains to be seen if this will continue and it will take actions, not just words to move the peace process forward, but it appears Abbas and Fayyad are moving in the right direction, and I believe that Abbas is the most willing negotiator on the Palestinian side that we have ever had.

For its part, Israel has made offers to keep the peace process moving.

Passage for Palestinians from the West Bank to Gaza, offers to transfer to the Palestinians a number of neighborhoods and refugee camps outside the fence and in the area of the Seam Line—at a later stage, transferring more or most of the Arab neighborhoods—these are enormous concessions that have been discussed by various Israeli government officials, and demonstrate Israel's commitment to move the peace process forward.

Additionally, since Annapolis, the Israeli government released 429 Palestinian prisoners, while Olmert authorized the transfer of armored vehicles and ammunition to Palestinian police in Nablus. Olmert has also committed that Israel would refrain from building any new settlements in the West Bank.

At Annapolis, Prime Minister Olmert and President Abbas expressed their determination in "an understanding" to "immediately launch bilateral negotiations in order to conclude a peace treaty to resolve all core issues without exception, as specified in previous agreements."

The Joint Understanding does not specify a role for the United States in the negotiations, although one may emerge with time.

The domestic political weaknesses of Olmert and Abbas may create challenges or constraints to progress on the Road Map and a peace treaty and have prompted much skepticism about the prospects for the renewed peace process.

However, I do think that there is the potential for progress as long as President Abbas continues to work with the Israeli government.

I think we have to be cautiously optimistic, which is more than could be said for a number of years.

I look forward to the testimony from our witnesses today, and I again thank the Chairman for holding this hearing.

LETTER SUBMITTED BY THE HONORABLE JOSEPH CROWLEY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK

JOSEPH CROWLEY
7TH DISTRICT, NEW YORK

COMMITTEE ON
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House of Representatives
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November 26, 2007

The Honorable Condoleezza Rice
Secretary of State
U.S. Department of State
Washington, DC 20522-3401

Dear Secretary Rice,

For the last 20 years, the U.S. Congress has provided roughly \$500 million in annual appropriations to the International Fund for Ireland (IFI). I have strongly supported U.S. investment in the IFI, which is committed to promoting coexistence and reconciliation efforts in Northern Ireland, and whose efforts have been tremendously successful – helping to build critical public support for political peace agreements, facilitating positive relationships between communities in conflict, and putting the economies of the communities who have suffered most back on track.

The IFI has allowed thousands of families and communities to thrive peacefully, and I believe the time has come to apply this model to the Arab-Israeli conflict. That is why, on the eve of the Middle East peace summit in Annapolis, I urge you to spearhead the creation of an International Fund for the Middle East.

As you know, a multitude of non-governmental organizations are working every day to promote people-to-people coexistence and reconciliation between Israelis and Palestinians, Arabs, and Jews in the Middle East. These groups have spent years developing successful, scalable models for breaking down barriers, building up communities, and fostering positive relations between Israelis and Palestinians, Arabs and Jews, both within Israel and across borders. The many diverse approaches are helping, but a central clearinghouse is needed to achieve the goal of a final peace.

For this reason, many of these organizations, including the Alliance for Middle East Peace (ALLMEP), have proposed the establishment of an International Fund for the Middle East. The Fund would be an independent, public-private, multi-national effort, and its focus would be on helping to build a flourishing civil society and grassroots support for peace. The existence of an International Fund for the Middle East would ensure that the necessary funds are available to the NGOs currently serving in the region to expand their reach to hundreds of thousands more people.

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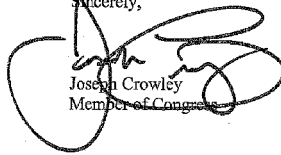
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History has taught that no political solution may arrive, and certainly none will last, without seriously engaging the publics on both sides of this conflict. An International Fund for the Middle East would certainly help to engage the people who are impacted daily by the conflicts in the Middle East. It is time to bring about this kind of effort, but doing so will require your leadership and the leadership of the United States. I hope you will help to lead the way, and please be assured that I stand ready to provide whatever support possible in the Congress for this important initiative.

Sincerely,



Joseph Crowley
Member of Congress